



STATE OF COLORADO

DRAFT

**CONSOLIDATED PLAN
ANNUAL ACTION PLAN 2004**

Department of Local Affairs
1313 Sherman Street, Room 520
Denver, CO 80203

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DRAFT 2004 Consolidated Plan Action Plan

Introduction

The State of Colorado, Department of Local Affairs (DOLA), is providing HUD with an annual Action Plan describing how the State will implement its housing, community development and economic development programs for the year. This plan combines in a single document, information describing the proposed use of HOME, HOPWA and ESG funds and the proposed method for making CDBG funds available for housing and other eligible community and economic development activities. The activities described reflect and complement the efforts of DOLA to implement the initiatives reflected in its mission, “to help Colorado communities” by supporting local governments and helping to build capacity to serve their citizens. The Department focuses on improving communities' physical conditions, building partnerships, augmenting local leadership and governing capacities, and improving economic opportunities and housing and services for all individuals residing in Colorado communities.

Housing rehabilitation and down payment assistance to first-time homebuyers, as described in more detail in the text that follows, are examples of the housing activities for which CDBG funds may be used during the fiscal year. Other eligible community and economic development projects, such as the installation or improvement of various types of community facilities, directly and indirectly affect the environment for housing in Colorado's locales. Similarly, the construction and rehabilitation of housing supported by HOME and other formula programs complement efforts to strengthen local economies.

HUD has set as a priority, the elimination of Chronic Homelessness within 10 years. We plan to take serious aim at this target, and we will provide additional homeless service dollars this year by utilizing Community Development Block Grant resources.

This Action Plan incorporates tables derived from DOLA research, including its agencies, the Division of Housing, the Division of Local Government and the State Demography section. Resources are described throughout the document and an entire section is devoted to our resources and funding partners as Appendix B in the back of the document.

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ONE YEAR ACTION PLAN STRATEGIES, PRIORITIES AND ANALYSIS

This section of the Consolidated Plan Action Plan will describe:

- The strategies the state will use to address affordable housing, community and economic development for the next year in the context of the five year Consolidated Plan already in place;
- The priority designations of population groups; and
- The activities and financing programs to be used to address the priorities and strategies.

The Colorado Division of Housing has spent time and effort over the past few years trying to gauge the need for affordable housing throughout Colorado. Because not all 2000 census data has been released and existing information does not reflect the economic conditions in Colorado today, new research has been conducted by both the Division of Housing and Supportive Housing and Homeless Programs.

As stated in the Market Conditions section of the Consolidated Plan, DOH relies on a number of resources and publications to identify the households most in need of affordable housing in Colorado. These sources include our bi-annual Colorado Division of Housing Multi-family Housing Vacancy and Rent Survey and Incomes for Colorado and its Regions. Information from these reports is supplemented by data from the Department of Local Affairs demographics section, the Census and other outside sources.

In addition, the Division of Housing has created a Community Housing Assistance Team, or “CHATS” staff that works one-on-one with agencies and communities throughout Colorado on identifying housing needs, preparing housing plans and strategies, identifying potential housing projects and creating financing packages for new housing units. This team has staff in Denver and in two field offices in Colorado, and maintains a pipeline of potential housing projects throughout the state.

The Division of Housing held five public hearings throughout the state to gain input on priorities, strategies, and actions to best meet the affordable housing needs of Coloradoans in 1999. Additionally, at least two hearings are held in the state each year to gain input on the Consolidated Plan Action Plan. These hearings supplement annual hearings held for the past in 1997 and 1998 with the Colorado State Housing Board to gain input on the housing needs in Colorado. Consultations were held with Colorado Coalition for the Homeless and the Colorado Department of Human Services Supportive Housing and Homeless Programs office to gather input on homeless and special needs populations. Our Priorities, Strategies, and Actions reflect both information gathered from our own statewide housing research and input from the public.

The staff of the Colorado Division of Local Government and Field Services and the Governor’s Office of Economic Development and International Trade developed the Strategies VI-IX for community and economic development through cooperation with several other state department staffs, already completed strategic plans, and public hearings held throughout the state in during 1999.

From this information and input the state has adopted the following housing and non-housing strategies, priorities and actions:

Strategy I

FIVE YEAR STRATEGY: TO INCREASE THE CAPACITY OF LOCAL HOUSING AND SERVICE PROVIDERS BY FURNISHING INFORMATION, EDUCATION, TRAINING, AND ADDITIONAL CAPITAL SOURCES SO THAT THEY ARE BETTER ABLE TO MEET THE HOUSING NEEDS OF THEIR COMMUNITIES.

ANALYSIS

Federal, state and local governments cannot build affordable housing by themselves. Rather, their role is to facilitate and fund such development. The role of developer/builder belongs to not-for-profits, housing authorities, and for-profit developers. However, not every community has developers who are both interested and capable of producing affordable housing. Helping to foster that capacity is one of DOH's primary tasks. DOH staff has been aggressive in this activity, especially in the rural, non-entitlement areas of the state.

DOH organizes many workshops throughout the year in various locations around the state. One popular workshop is called "The Developer's Tool Kit." It covers the entire housing development process: site acquisition, market evaluation, the planning and zoning process, and the creation of financial proformas. Other recent workshops include "*Single Family Owner-Occupied Rehabilitation*," "*Down payment Assistance Programs*," and our "*Application Workshop*" *Advanced Finance, Property Management, Financial Management for Nonprofits*. All workshops include a challenging curriculum and participants leave with comprehensive written materials for reference. Some of the workshops are taught exclusively by DOH staff, while others are presented by staff together with other experienced technical assistance providers such as the Affordable Housing Management Association.

DOH staff also provides intensive, ongoing, one-on-one assistance to community housing developers on many topics. Staff help to evaluate potential sites, identify project funding sources, prepare application packets, create reasonable budgets, understand value engineering and cost-effective construction methods, and devise management policies. Since some projects take in excess of one year to move from concept to funding, Division staff often have a long-term investment in individual communities.

Local capacity to respond to housing opportunities has not always existed. In 1991, there were no Community Housing Development Organizations (CHDOs) in the state of Colorado. Statewide capacity to deal with housing issues was unable to meet the demand. DOH staff have been involved at a grass roots level with many communities to organize non-profits to address local housing needs. In 2003 DOH had certified 30 CHDOs throughout the state. Existing CHDOs also receive support from Division staff, including training for new board and staff members in housing finance, federal regulations, and board responsibilities. Rural Community Assistance Corporation (RCAC) has been awarded a technical assistance contract by HUD and will coordinate with DOH to provide assistance to CHDOS in specific rural areas.

Beyond housing development, housing-related service providers are also important to local communities. DOH staff work with not-for-profit agencies to build shelters and transitional housing for

homeless people. DOH also supports the efforts of local housing authorities, which do much more than run public housing projects. They also administer HUD's Section 8 Program, which provides rental assistance to very low-income families.

Section 8 families participate in Family Self Sufficiency (FSS) programs operated by local housing authorities. This program networks the supportive services within the community to assist the families moving beyond public assistance, including the Section 8 program. DOH assists each agency in developing the HUD required FSS Action Plan which defines the program in each community. In addition to providing on-going administrative fees to administer the Section 8 program, DOH provides funding to pay for service coordinators. DOH manages "escrow accounts" that the FSS family can access for permanent housing or education once they have met their program goals. Division staff provide problem-solving assistance and training to the local agencies and help build the capacity of small agencies to apply directly to HUD for funding. In addition, the DOH Section 8 program assists special populations such as the homeless with drug abuse problems, individuals with AIDS and victims of domestic violence.

Two Section 8 Homeownership Programs exist in the State. One through the Division of Housing and one through the Colorado Department of Human Services, Supportive Housing and Homeless Programs (SHHP). Currently DOH has six families participating in its Home Ownership Program, and SHHP has 40 disabled participants

The goal of both programs is to expand homeownership opportunities for Section 8 participants by assisting them in transitioning from rental assistance to homeownership using Section 8 rental assistance. The premise is simple: the rental assistance normally made on behalf of the family to a private landlord is now made as a mortgage assistant payment to the lender. The programs themselves are complex in that any home purchase is complex. This program takes strong communication and collaboration between the homebuyer; local, state, and federal agencies; large and small nonprofits; and private real estate professionals and lenders to make it work.

DOH also funds the HERO Alliance, which provides down payment assistance and housing counseling to disabled persons. The Hero Alliance is a collaborative effort of lenders, local, state and federal agency staff, nonprofits, developers, advocates, real estate professionals and people with disabilities.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Increase housing production capability of local communities by providing on-site and Internet-based training, workshops, and publications on the following topics: development process, innovative building technology, use of federal funding programs, property management, identifying opportunities for regulatory reform, and innovative financing mechanisms.

Provide technical assistance to rapidly growing rural and urban communities as they develop comprehensive growth plans. Assistance to include dissemination of local housing market data, analysis of the impact of land use policies on the cost of affordable housing, review of innovative regulations to lessen costs of development.

ACTION 2: Identify at least one area of the state that has a high demand for affordable housing and has a lack of cooperation between housing and supportive services providers. Provide technical assistance to these agencies and governments to start area-wide housing planning efforts by June 30, 2005.

ACTION 3: Provide information and strategies to assist private and public housing developers to successfully navigate the local and federal regulatory environment to complete housing development in a timelier manner. Program specific trainings will also be held on topics such as federal requirements, the application process, housing quality standards and financial tracking. These training will include HOME, CDBG, PAB, ESG and other programs.

ACTION 4: Coordinate efforts with the Department of Local Affairs Office of Smart Growth to educate local governments on ways to use local regulations to facilitate the greater production of affordable housing.

ACTION 5: Provide information on changes in wages and housing costs/supply by annually updating *Housing Colorado: The challenge for a growing state*. This report serves as both the needs report and regulatory barriers report. Provide an affordability index. “What’s Affordable in Your Area? Continue to sponsor the Division of Housing Multifamily Vacancy and Rent Survey and disseminate the findings through the news media, the Internet and local briefings.

ACTION 6: Provide an accurate assessment of different housing needs in Colorado, including rental housing, housing for purchase, shelters and transitional housing.

ACTION 7: Plan and design a coordinated housing data base to provide tiered information about: (1) location, availability and cost of housing units in the state; (2) information about organizations that provide housing services, including CHDOs, nonprofit organizations, domestic violence shelters, homeless shelters, transitional housing providers, housing authorities, Department of Human Services, Supportive Housing and Homeless programs, and the Department of Local Affairs, Division of Housing; and (3) availability and experience of housing developers.

RESOURCES

The Division of Housing will consider applying for any technical assistance grant funds available from HUD to expand the technical assistance and training activities available in Colorado. DOH staff provides one-on-one and other trainings in-house, allowing the agency to utilize existing staff without incurring outside cost. Some trainings that involve printed materials or subject experts include a nominal charge to cover costs.

Strategy II

FIVE YEAR STRATEGY: TO INCREASE AND PRESERVE THE SUPPLY OF AFFORDABLE DECENT, SAFE, AND SANITARY RENTAL UNITS THROUGH NEW CONSTRUCTION AND MODERATE AND SUBSTANTIAL REHABILITATION FOR VERY LOW, LOW, AND MODERATE INCOME HOUSEHOLDS. Priority will be given to projects in counties that have

growth rates and/or housing cost increases in excess of the average rate of the state during the 2000-2005 period.

PRIORITIES

- Priority #1: Small Related Renter Households (0-30% MFI)
 Large Related Renter Households (0-30% MFI)
 Elderly and All Other Households (0-30% MFI)
- Priority #2: Small Related Renter Households (31-50% MFI)
 Large Related Renter Households (31-50% MFI)
 Elderly and All Other Households (31-50% MFI)
- Priority #3: Small Related Renter Households (51-80% MFI)
 Large Related Renter Households (51-80% MFI)
 Elderly and All Other Households (51-80% MFI)

ANALYSIS

The report, *Housing Colorado: The challenge for a growing state* clearly identifies that the greatest need for new rental units in Colorado is for those with the lowest incomes – at 0-30% AMI. The study showed that in 2002, there was a need for 11,437 new units for households at 30% or below median income. While there is still a shortage of affordable rental stock for those above 30% AMI, the level of need decreases. The study also shows a need for 25,065 new units for households earning between 31 and 60% AMI.

The need for affordable, decent, safe and sanitary rental units was clearly identified as a major housing need from our internet-based survey and at our hearings for all population groups in all areas of the state. Preservation of existing affordable units is also important, but new construction is also important in ensuring that gains in the employment sector are coupled with adequate and affordable housing to improve Colorado's economy.

Creation of affordable and accessible rental units for the disabled is another need. Our analysis in the housing needs section of the plan shows that between 15,931 and 19,388 low-income persons with disabilities need an affordable housing unit. Many of these persons do not need a housing unit linked with services. They are included in the above estimate of households at or below 30% AMI, but need units that are accessible as well as affordable.

ONE YEAR GOALS AND ACTIONS

ACTION 1: For renter households with incomes below 60% of AMI, provide loans, grants and Private Activity Bond statewide balance allocations to produce 1,500 units with rents set at 30% of household income.

ACTION 2: For households with incomes below 30% AMI transitioning from welfare to work and for households transitioning from homelessness, partner with local housing providers to create 40 “step up” rental housing units by providing equity for acquisition of older units with rents affordable to these households.

ACTION 3: Rehabilitate and/or newly construct at least 50 rental units that are handicapped accessible and affordable to households at 60% or less of median income.

RESOURCES

Funding for acquisition, substantial and moderate rehabilitation, new construction and related infrastructure needs through the following programs: RLF, "Small Cities Community Development Block Grant (only in non-entitlement areas), Colorado Housing and Finance Authority Programs, HOME, Federal Low Income Housing Tax Credits, Department of Energy Weatherization Assistance, Low Energy-Income Assistance, Energy Impact Assistance Funds, HUD Section 202, HUD Section 811, Federal Home Loan Bank Affordable Housing, USDA/RD Programs, State Historical Grant Funds, State and Federal Historic Tax Credits, State Mineral Impact Fund, other federal, state, local and private funding sources.

Strategy III

FIVE YEAR STRATEGY: TO INCREASE AND PRESERVE HOMEOWNERSHIP FOR LOW AND MODERATE INCOME PEOPLE. Down payment and closing cost assistance, interest rate buy-downs and infrastructure financing can assist low and moderate-income households become homeowners. Assistance for people in danger of losing their homes due to the cost of maintenance of aging housing stock is also an important aspect for maintaining the state's homeownership rate.

PRIORITIES AND ANALYSIS

Priority #1: Homebuyers w/Children (0-80% MFI)
Priority #2 Homebuyers, All Others (0-80% MFI)
Priority #3 Existing Owners (0-30% MFI)
Priority #4 Existing Owners (31–80% MFI)

Priority #1, Priority #2:

ANALYSIS

Although the number of homes in the Denver metropolitan market remains above last year's level, the indicator has been moving in a positive direction due to the significant slowdown in home construction throughout the Denver metro area. Still, the median home price rose 22.3 percent between 2000 and 2001. By June 2003, that price had risen to \$237,900.

The Divisions *Advance*, “2004 Rental Households by 2003 HUD Income Limits and Percent of Income Paid in Rent” found that there were 67,812 renter households earning between 61% and 80% AMI. This is the group most likely to become homeowners, and DOH estimates that 59 percent of these households – or 40,010 households—would like to become homeowners if they were able to do so. In 2003, there were only 11,825 units that were affordable to this group statewide.

Households with incomes at less than 60% AMI are unlikely to be able to afford homeownership in Colorado without the help of a self-help program such as Habitat for Humanity. Down payment and closing cost assistance, as well as increasing the stock of affordable units for sale, are needed to increase Colorado’s homeownership rate.

Priority #3, Priority #4

ANALYSIS

Rising values have helped many low and moderate-income Colorado owners afford to improve their property. Low interest rates and rising incomes have also allowed many to borrow the funds necessary to make essential improvements to their homes. However, there are still many Colorado households, such as seniors or the disabled living on fixed incomes, who cannot afford the payments on a conventional home improvement loan. These households rely on loans through DOH funded Owner Occupied Rehabilitation programs to keep their homes safe and sanitary, and to allow funded Owner Occupied Rehabilitation programs to keep their homes safe and sanitary, and to allow newly disabled and elderly persons to remain in their homes by providing retrofitting for accessibility.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Create 410 new home ownership opportunities for households earning under 80% AMI through interest rate buy-downs and down payment assistance loans.

ACTION 2: Preserve 140 low and moderate-income owner occupied units by providing new funds to 10 regional rehabilitation programs.

ACTION 3: To develop management systems and stabilize loan funds for existing single-family housing rehabilitation programs and to facilitate linkages with private lenders, host one annual workshop.

RESOURCES

Funding project activities of substantial and moderate rehabilitation, alternative relocation, new construction of units for sale and related infrastructure needs, interest rate buy-downs, down payment and closing cost assistance through the following programs: Locally based housing RLFs, “Small Cities community Development Block Grant (only in non-entitlement areas), Colorado Housing and Finance Authority Programs, HOME, Department of Energy Weatherization Assistance, Low Energy Income Assistance, Rural Development homeownership programs, and other federal, local and private funding sources.

Strategy IV

FIVE YEAR STRATEGY: TO PROVIDE AFFORDABLE, SAFE, AND SANITARY HOUSING OPPORTUNITIES FOR EXTREMELY LOW, LOW AND MODERATE INCOME PEOPLE NEEDING HOUSING LINKED WITH SUPPORTIVE SERVICES WHICH MAY HELP PEOPLE MAINTAIN OR ACHIEVE INDEPENDENT LIVING. Housing assistance for persons with special needs is a priority for the State of Colorado. Special populations are defined as persons whose housing needs cannot be fully addressed without supportive services. Special populations are persons with physical disabilities, mental illness, developmental disabilities, people with AIDS and frail elderly persons.

PRIORITY

Priority #1: Non-homeless Persons w/Special Needs (0-50% AMI)

Priority #2: Frail Elderly (51 – 80% AMI)

ANALYSIS

Many of the lowest income persons in Colorado are those with special needs. Persons living on SSI or small social security checks cannot afford to pay market rents or the market rates at assisted living facilities. An individual living on SSI in Colorado would have to spend 82% of their income for an efficiency rental unit in Colorado. The Colorado Department of Human Services Supportive Housing and Homeless Programs office estimates that there are 11,504 persons with disabilities that need subsidized housing in Colorado. As more of the institutional residential settings for persons with developmental disabilities and mental illness close, more housing will be needed for these persons that is linked with supportive services.

The Division of Housing estimates that there are 1,527 elderly persons in Colorado that need assistance with activities of Daily Living. Many of these persons have very low, low, and moderate incomes.

ONE YEAR GOALS AND ACTIONS

ACTION 1: For person with special needs at 30% or less of median income, produce 42 deeply subsidized rentals linked with supportive services by partnering with deep subsidy funding programs.

ACTION 2: Educate local governments, new and existing grantees, housing producers and providers on the requirements of the Fair Housing Laws, the Americans with Disabilities Act, and other federal regulations concerning management and production of housing.

ACTION 3: Work with existing nonprofit housing development agencies, special needs providers, and other housing agencies to increase the coordination between housing providers and service providers in producing more accessible, affordable units for the disability community.

RESOURCES

Funding is available for the following activities: acquisition, substantial and moderate rehabilitation, new construction, infrastructure improvements, support services, and operating expenses through the following programs: Division of Housing RLF, "Small Cities" Community Development Block Grant (only in non-entitlement areas), HOME, HUD Continuum of Care Supportive Housing Funds, AIDS Housing Opportunity Program, Supportive Housing for Persons with Disabilities (Section 811), Federal Low-Income Housing Tax Credits, Colorado Housing Financing Authority programs, State Historical Grant Funds, Federal Historic Tax Credits and other federal, local, and private funding sources.

Strategy V

FIVE YEAR STRATEGY: TO INCREASE AND/OR EXPAND THE AVAILABILITY OF EMERGENCY SHELTER FACILITIES, TRANSITIONAL HOUSING OPPORTUNITIES, PERMANENT SUPPORTIVE HOUSING, AND PREVENTION PROGRAMS FOR HOMELESS PERSONS, VICTIMS OF DOMESTIC VIOLENCE, AND FORMERLY HOMELESS PERSONS. There is still the need to provide continued operating assistance to existing emergency shelters and construct new shelters and transitional housing units in many regions of Colorado. In 2002, the Division of Housing provided operating support to such nonprofit providers, resulting in assistance to 47,903 persons.

It is also critical to increase the number of new permanent supportive housing units available to those homeless individuals and families requiring extensive supportive services in order to achieve housing stability.

PRIORITIES

Priority #1 Homeless Families and Individuals and Homeless Youth

ANALYSIS

The 2003 statewide Continuum of Care Gaps Analysis shows that there is an estimated need for 4,937 shelter beds 3,494 transitional housing units and 2,024 permanently supportive housing units in Colorado.

Outside of the Denver Metro area, regional shelters for homeless people and victims of domestic violence are the most effective way of delivering emergency shelter services. In rural Colorado, domestic violence is one of the main causes of homelessness. These shelters are primarily located in the regional population and trade center for a particular area. The Division of Housing provides operating support for many emergency shelters throughout the state through its ESG program, and assists in construction of new shelters and/or in the acquisition and rehab of existing facilities.

Emergency shelters in urban areas are no longer able to meet the demand for sheltering families or individuals. Especially for single women, the number of beds available does not meet demand. The availability of transitional housing is even more inadequate. Operational SROs outside the City and County of Denver are nearly non-existent and the number of SRO beds in Denver continues to shrink when needed most. More SRO and supportive housing units are needed to decrease the number of homeless persons in Colorado.

The number of transitional housing units in both the urban and rural areas of Colorado has increased over the past five years, but is still inadequate. As homeless populations increase during difficult economic times, transitional housing becomes even more critical. Many homeless providers have nowhere to send families and individuals once their emergency shelter stay is over. The Division of Housing assists in the construction of new transitional housing units and the acquisition and rehab of existing structures to provide additional transitional housing units.

Homelessness exists in most communities of Colorado. Rents prevalent in the marketplace make it extremely difficult for the very lowest income families to find an affordable place to live. Often these homeless persons have mental, physical, or substance abuse problems that may require additional and extensive supportive services. These persons need permanent supportive housing to achieve housing stability. The Division of Housing assists in new construction or acquisition and rehab of existing structures to provide additional permanent supportive housing units.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Support and fund with Emergency Shelter Grant (ESG) monies, 35 agencies that serve homeless persons. Work with local governments and agencies to support and strengthen homeless programs. We will pursue opportunities to financially support the expansion of homeless programs statewide.

ACTION 2: Support and fund with Community Development Block Grant Funding (CDBG), 10 agencies that serve homeless persons in rural areas.

ACTION 3: Increase or preserve affordable, decent, safe, and sanitary transitional housing units and related services by funding new transitional housing units throughout the state.

ACTION 4: Increase the number of permanent supportive housing units for homeless persons requiring extensive supportive services to achieve housing stability.

ACTION 5: Provide emergency funding for tenant-based rental assistance/housing replacement for households where homelessness has been caused by natural disaster, job loss, domestic violence, or other emergency family situations.

ACTION 6: Provide ESG funding through existing agencies for homeless prevention programs for rent and/or mortgage payments.

ACTION 7: Develop a comprehensive and cooperative homeless policy for the State.

RESOURCES

Funding will be available for the following activities: acquisition, substantial and moderate rehabilitation, new construction, related infrastructure, tenant-based rental assistance and/or support services and operating costs through the following programs: “Small Cities” Community Development Block Grant (only in non-entitlement areas), ESG, HOME, State Homeless Tax Check-off Fund, Steward McKinney Programs and private foundations.

Strategy VI

FIVE YEAR STRATEGY TO HELP COLORADO COMMUNITIES IDENTIFY, PRIORITIZE AND ADDRESS THEIR CAPITAL IMPROVEMENTS NEEDS.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Provide direct capital improvements planning assistance to fifteen (15) communities.

ACTION 2: Provide or arrange financing to fifty (50) communities to address health/safety hazards and developmental needs in water, sewer, fire safety, telecommunications and other infrastructure systems.

ACTION 3: Help secure a minimum of \$10,000,000 from other public/private sources to assist communities.

ACTION 4: Provide funding through the Local Government Limited Gaming Impact Fund to the contiguous gaming counties to mitigate the impacts from gaming-related activities to public facilities and services.

RESOURCES

Funding for these project activities will be provided through the following programs and organizational units: Division of Field Services in cooperation with other state and federal programs, “Small Cities” Community Development Block Grant Program, State Energy Impact Assistance Program, Colorado Heritage Planning Grant Program, Local Government Limited Gaming Impact Funds, USDA Rural Development, State Water and Power Resources Authority, Colorado Water and Conservation Board, and other state and federal programs too numerous to mention. All requests for funding will be through an open and competitive process. Applications for assistance that are “complete” and “competitive” are given greater consideration than those that are not.

Strategy VII

FIVE YEAR STRATEGY: TO HELP CREATE A CLIMATE MORE CONDUCTIVE TO JOB CREATION IN ECONOMICALLY DEPRESSED AREAS, ESPECIALLY THOSE SUFFERING FROM A COMBINATION OF HIGH UNEMPLOYMENT, LOW POPULATION GROWTH AND LOW PER CAPITA INCOME.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Provide funding to five (5) local downtown redevelopment projects.

ACTION 2: Provide funding for historical or cultural attractions, public recreational facilities and other facilities that capitalize on tourism.

ACTION 3: Provide funding each year to local/regional Enterprise Zones to augment marketing efforts.

ACTION 4: Arrange for joint multi-enterprise zone marketing in at least three national or regional trade shows.

ACTION 5: Increase awareness and usage of Enterprise Zone program, thereby increasing job creation and investment by businesses.

RESOURCES

Funding for these project activities will be provided through the following programs and organizational unit: Division of Local Government, Field Services in cooperation with other state and federal programs, "Small Cities" Community Development Block Grant Program, State Energy Impact Assistance Program, EDA, USDA Rural Development, State Historical Funds and other state and federal programs too numerous to mention. Applications for assistance that are "complete" and "competitive" are given greater consideration than those that are not.

Strategy VIII

FIVE YEAR STRATEGY: TO HELP IMPROVE THE LEADERSHIP AND GOVERNING CAPACITIES OF COLORADO COMMUNITIES BY ASSISTING LEADERS TO DEVELOP COMMUNITY GOALS AND PROVIDE THE NECESSARY TRAINING AND RESOURCES TO HELP ACHIEVE THESE GOALS.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Provide goal setting assistance to 20 Colorado communities.

ACTION 2: Assist in conducting 20 formal and informal training sessions for local officials.

ACTION 3: Providing funding each year to local/regional Enterprise Zones to augment marketing efforts.

ACTION 4: Arrange for joint multi-enterprise zone marketing in at least three national or regional trade shows.

RESOURCES

Funding for these project activities will be provided through the following programs and organizational unit: Division of Field Services in cooperation with other state and federal programs, “Small Cities” Community Development Block Grant Program, State Energy Impact Assistance Program, and other state and federal programs too numerous to mention. Applications for assistance that are “complete” and “competitive” are given greater consideration than those that are not.

Strategy IX

FIVE YEAR STRATEGY: TO PROVIDE EFFECTIVE, PROFESSIONAL ASSISTANCE TO THE STATE’S BUSINESS COMMUNITIES; TO MAKE ESSENTIAL INFORMATION EASILY ACCESSIBLE TO SMALL BUSINESS OWNERS THROUGHOUT THE STATE; TO PROMOTE THE DEVELOPMENT AND EXPANSION OF MINORITY BUSINESSES; TO OFFER STATE JOB TRAINING, MARKETING AND ASSISTANCE PROGRAMS TO EVERY REGION OF THE STATE; AND TO ENCOURAGE BUSINESS RETENTION EXPANSION AND RELOCATING RESULTING IN THE RETENTION OR CREATION OF COLORADO JOBS.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Encourage retention and expansion of Colorado businesses by marketing Colorado.

ACTION 2: Support local governments and private/public partnerships engaged in business recruitment, retention, and expansion programs.

ACTION 3: Coordinate state job training, management and financial assistance to companies.

ACTION 4: Provide services to small businesses that will help them expand or remain in business.

ACTION 5: Improve Colorado’s visibility for quality job retention and creation.

ACTION 6: Increase the emphasis on creation of quality, good paying jobs, created by relocating businesses.

ANALYSIS

Funding for these project activities will be provided through the following programs and organizational unit: Governor’s Office of Economic Development and International Trade programs: Business Development; Small Business; Small Business Development Centers; Minority Business; Colorado FIRST Customized Job Training; three Satellite Offices; and Research and Administration, in cooperation with other state and federal programs, to include the “Small Cities” Community Development Block Grant Program. Applications for assistance that are “complete” and “competitive” are given greater consideration than those that are not. Applications are received on a continuous cycle.

Table 2A

Priority Needs Summary Table – 2000-2005

PRIORITY HOUSING NEEDS - Statewide (Households)		Priority Need Level High, Medium, Low		Total Needs	Goals
Renter	Small Related	0-30%	H	23,706	300
		31-50%	H	11,319	1,010
		51-80%	M	6,061	1,481
	Large Related	0-30%	H	6,395	81
		31-50%	H	5,124	457
		51-80%	M	3,144	768
	Elderly	0-30%	H	15,466	67
		31-50%	H	8,130	721
		51-80%	M	2,054	502
	All Other	0-30%	H	24,094	669
		31-50%	H	9,404	839
		51-80%	M	3,604	881
Owner	0-30%	H	32,899	608	
	31-50%	H	20,799	517	
	51-80%	M	53,398	1,315	
Special Populations (Included in above renter and owner numbers. See special needs table for detailed needs estimates)		0-80%	H		
Total Goals					10,215
Total 215 Goals					

Priority Community Development Needs

For the Community Development Block Grant program, the State's overall goal is to be responsive to local community development needs, strategies and priorities, and to produce a measurable improvement in the communities served. The State's primary objective, which parallels the statutory national objective for CDBG, is "the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of extremely low, low and moderate income.

The state's objectives are also being enhanced through funding made available to the state from the USDA Rural Development Agency and Environmental Protection Agency in the form of jointly funded projects as well as the state's own Energy and Mineral Impact Assistance Program. In making funding decisions for the community development and public facilities needs of the state, the CDBG and Impact programs fund projects on a competitive basis. While a project may have met all the criteria for funding, it may not be awarded funds due to the lack of sufficient grant funds available or for other reasons.

The state's responsiveness to local needs is partially demonstrated in the types of applications received and awarded. In reviewing the combined funding decisions for these two programs for the five-year period of 1999-2003, local priorities have been as follows:

Public Facility Needs	Number of Requests	Projects Funded
Senior Centers	9	9
Youth Centers	4	4
Neighborhood Facilities	40	36
Child Care Centers	25	21
Parks and/or Recreation Facilities	8	8
Health Facilities	47	41
Other Public Facilities (i.e.. improvements for fire stations, libraries, schools, museums, town halls)	364	340
TOTAL	497	459

Infrastructure Improvement Needs

Solid Waste Disposal Improvements	70	70
Flood Drain Improvements	28	28
Water Improvements	146	129
Street Improvements	81	79
Sidewalk Improvements	2	2
Other Infrastructure Improvements	78	68
TOTAL	405	376

Public Service Needs

Transportation Services	3	3
Other Public Service Needs, (i.e., circuit riders, interns, technical assistance, etc.)	118	114

	TOTAL	121	117
Accessibility Needs			
Architectural Barrier Removal		4	4

Historic Preservation Needs*

*No requests for funding in this area

Economic Development Needs

Information on number of proposals reviewed, but not funded, is not available			25
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Other Community Development Needs

Energy Efficiency Improvements	5	5
Hazards, Asbestos or Lead Based Paint Removal	1	1
TOTAL	6	6

Planning

Planning and Studies	92	92
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By itself, the CDBG program is designed to help smaller communities meet their greatest community development and housing needs where the needs of extremely low, low and moderate-income persons receive priority consideration. Following are some of the cumulative accomplishments for federal fiscal years 1993 through 2002.

Over \$101 million has been obligated by the state to 361 local projects.

More than 445,000 people are benefiting from these 361 local projects.

Approximately 77% of all persons benefiting from local projects are low and moderate-income persons.

Minority persons benefiting from completed projects number about 80,925 (23.4% of all beneficiaries of completed projects).

About 96.5% of obligated funds have been awarded for local projects in which a majority of beneficiaries are low and moderate-income persons. (Approximately 2.34% have been committed for local projects that eliminate slums or blight, and about 1.13% for other urgent community development needs.)

More than \$448 million in other public and private funds has been leveraged into local projects. Over \$304 million has come from private sources and over \$155 million from various public sources.

About 7.4% of obligated funds have been used for local and state administration expenses. (Federal law allows up to 20% to be used for administration.)

74.2% of all projects have been outside of the "Front Range" counties (Regions 2, 3, 4 and 7).

36.3% of all projects have been in the state's most economically distressed "southern tier" from the Kansas/Oklahoma border on the east to the Utah border on the west (Regions 6, 7, 8, 9 and 14). The number of projects, by type, has been:

Economic development	43	(11.9%)
Housing	107	(29.6%)
Public Facilities	206	(57.1%)
Public Service	5	(1.4%)

The amount of funding, by project type, has been:

Economic Development	\$27,416,470.61	(27.40%)
Housing	\$28,742,602.93	(28.45%)
Public Facilities	\$44,621,208.70	(44.17%)
Public Service	\$ 247,968.00	(.25%)

Individual grants have ranged from \$17,000 to around \$2.4 million. The average size has been about \$300,000.

OTHER ACTION STEPS

Anti-Poverty Strategy

Based on the latest available U.S. Census reports the number of people with incomes below the poverty line in Colorado was 388,952 in 2000, or 9.3% of the state's population. The number of persons living in poverty in Colorado has increased in number but declined in percentage over the past decade. In 1990, the number was 375,214, which comprised 11.7% of the population. Since 1990, Colorado, like many other states, has changed their anti-poverty strategies to incorporate the changes brought about by the change in federal welfare programs.

In 1996, federal welfare reform legislation required each county in Colorado to design a plan to administer the federally funded Temporary Aid for Needy Families (TANF). These plans were required to include the county anti-poverty strategies on TANF planning, organizational restructuring, staff development, work requirements, work activities, good cause exemptions, sanctions and appeals process. Many of the counties are beginning to use TANF in more flexible ways. Several counties have developed advisory boards consisting of concerned citizens from both public and private sectors to provide input on how to administer TANF.

Although each county has the ability to design how they will administer TANF funds, one thing is certain. Successful welfare reform is highly dependent upon the TANF households receiving job training, housing, child care, transportation, family health care, educational support and continuous employment. Providing training and employment opportunities to TANF recipients has been a challenge for many counties especially those with limited employment opportunities. The Division of Housing continues to encourage counties to consider funding affordable housing for qualified clients using TANF dollars.

Coordination of supportive services seems to be the key factor to assist families in escaping poverty. Federal agencies such as the Departments of Agriculture, Education, Health and Human Services, Housing and Urban and Development are requesting that state departments plan and coordinate their supportive service programs and create a unified plan for requesting future block grant federal funding. In addition, local governments and non-profits are required to coordinate supportive services in their local areas in order to apply for new program funding. The coordinated effort of linking job training, education, employment opportunities, child care, transportation, housing and food stamp benefits it is hoped that poverty stricken families will receive a full benefits package to assist them in getting up and off the welfare rolls.

Beyond the efforts to improve coordination, the Division has taken the lead in funding programs that can become models for communities throughout Colorado. Because the Division's funding is primarily discretionary, it is used as the catalyst for other supportive housing efforts. The Division of Housing can finance hard assets such as housing construction or rehabilitation, or soft costs such as rental subsidies. The direct impact of housing development is quality housing and construction jobs for a community.

The Division provides a model program called "Step-up Housing." Step-up housing provides permanently affordable housing for households at or below 30% of the area median income (AMI). Step-up housing can be available to residents on a permanent basis, unlike conventional transitional housing that is limited to two years. Initially, rents are made affordable for the 30% AMI families and as their income increases so does their rent. When the family is able to pay market rate for the rental unit the owner makes available another unit for a family at 30% of AMI. In addition, supportive services must be available to the family to further future success. Developers wishing to rehabilitate existing housing for this new program are given a deeper grant subsidy in order to make the rents affordable. The Colorado Housing Finance Authority (CHFA) is also exploring ways of providing low interest and no interest loans for housing development that serves families at 30% of AMI. The Division and CHFA, as well as other housing fund agencies, often coordinate their funding in order to make affordable housing projects successful.

The Division of Housing received Energy Impact dollars in 2002 to help offset the loss of funding from the State Housing Grant, a cut made because of the state's fiscal shortfall. In 2003, DOH carried over Energy Impact dollars and these dollars were directed toward the priorities listed within this document. It is not anticipated that Energy Impact dollars will be available in 2004.

A primary housing program that is designed to reduce dependency on public assistance is the Section 8 Family Self-Sufficiency (FSS) program. This program embodies the four principals of Colorado's welfare reform. Each household participating in this program enters into a Contract of Participation. This contract provides a framework and time line for reducing dependency on public assistance. Once the contract is fulfilled, funds are allocated to an escrow account on behalf of the participant that can be used to invest in a home or pursue further education. This program is administered by the Colorado Division of Housing and is offered locally by nonprofit housing agencies and housing authorities.

- The Colorado Division of Housing currently works with 11 FSS programs in Colorado and DOH provides approximately \$60,000 to fund FSS related staff. Between 125 to 140 families participate in the program - 70 families have current escrow accounts in various communities with the Division and 126 individuals have successfully graduated.

- Many of the Division Section 8 contractors who administer the FSS programs have developed innovative ways to provide support to the families they serve. Two agencies have developed revolving emergency loan programs so that when a family is in need of funds for necessities they can take out a low or no interest loan. One agency is providing \$25 to \$50 incentives when an FSS client completes a GED, vocational or college course. Other agencies are coordinating the home ownership program with the graduates of their FSS program in order to assist them in homeownership.

The Division of Housing also operates a Housing Choice Voucher Special Needs Program that coordinates organizations that provide supportive services. This program offers rental assistance to 75 families through the Homeless with Substance Abuse initiative; 500 disabled families receive rental assistance through independent living centers, 40 families receive assistance through the Colorado AIDS project, and 100 under the families unification program receive rental assistance and 167 for families who are homeless or at the risk of being homeless.

The Department of Human Services (DHS) Supportive Housing and Homeless Programs administers a Section 8 rental subsidy and FSS program for persons with disabilities. Sixty percent of FSS participants have escrow accounts. Individuals with escrow accounts have used the funds to achieve success in their chosen occupations or to pursue further education. This agency was awarded 160 units for the Section 8 Welfare to Work Program in 1999 in order to combine affordable housing with local supportive services for their clients and work with the Colorado Coalition for the Homeless and other agencies. An additional 50 vouchers were awarded in 2003.

Transitional housing is a method to support households while they try to secure permanent employment, increase job skills, and bring stability to an otherwise unstable family life. Typically, families reside in transitional housing for up to two years. The Division of Housing has approved funding and supported transitional housing in many communities within the state. Funding for emergency homeless shelters and shelters for victims of domestic violence, are also provided by the Division.

These shelters are located in rural and urban areas throughout Colorado. Domestic violence shelters are the first line response to a growing problem in many urban areas and the high growth areas of Colorado's rural communities. The following are examples of some of the recently funded transitional and emergency shelter projects:

- Acquisition and rehab of a 49-unit shelter facility in Englewood.
- The acquisition 17 transitional housing units for formerly homeless teens with substance addictions Denver
- Acquisition and rehab of a former motel that will provide 30 units of transitional housing in Colorado Springs.
- Acquisition and rehab of 14 beds of transitional housing for troubled teens in Commerce City.
- New construction of four units of transitional housing in Colorado Springs.

Assessing whether these housing policies and programs reduce poverty rests with the success of each household. The basis for assessment will be the progress each of the programs mentioned above makes towards: increasing household income, maintaining steady employment, achieving contracted goals, meeting escrow account goals, and reducing a household's dependency on public assistance as measured by the time a family remains on rental assistance. According to a June 29, 1999 article in the Rocky Mountain News, the number of Coloradoans on welfare has dropped by half after two years of reform. Despite predictions that thousands of people would have to be kicked off the rolls to meet a July 1st "work activity" deadline, only 176 families lost their benefits for resisting efforts to help them work. Although many TANF recipients are finding employment due to Colorado's good economy, they are in relatively low-paying jobs, thus many of these families pay much more than 30% of their income in rent and are extremely rent burdened. For this reason, the poorest families in Colorado are affected the worst by a good economy.

Institutional Structure Housing

Public Institutions

STATE OF COLORADO. Department of Local Affairs.

Division of Housing coordinates the state's affordable housing efforts and works to foster cooperation between private enterprise and local, state and federal governments. Its goal is to facilitate construction, acquisition and rehabilitation of affordable housing units, particularly for lower income households. The Division is responsible for enforcement of the federal Manufactured Home Construction and Safety Standards for all manufactured homes built in the state. It provides both technical assistance and direct financial support to local governments and nonprofit agencies through the following programs:

Home Investment Partnership Trust Fund;
Federal Section 8 Rental Assistance Certificates and Vouchers;
Federal "Small Cities" Community Development Block Grant Housing Program;
Federal Emergency Shelter Grant Program;
Federal Home Investment Partnership Program;
Private Activity Bond Program; and
Housing Opportunities for Persons With AIDS (HOPWA)

The Community Housing Assistance Section staff members are assigned specific regions of the state, and field offices are located in Grand Junction and Pueblo. This section works with local communities to identify housing needs (assist in identifying the type, cost, location, and number of housing units needed in the community); assemble a housing development team (work with community to create a housing development project team); and help secure private and public funding for the community's housing project.

In addition, the Division of Housing manages the statewide balance of Private Activity Bond allocation that is accessed by application to the Department of Local Affairs. A Bond Allocation Committee of eight members appointed by the Governor reviews application and advises the Executive Director on specific allocation proposals.

The State Housing Board, whose seven members are appointed by the Governor, serves as an advisory unit to the Division and the Governor. The Board meets monthly to review and recommend funding decisions on housing applications for the various funding programs administered by the Division, passes regulations for manufactured structures, and adopts building codes for multifamily housing in counties with no codes.

The Division of Local Government, Field Services Section administer four programs which directly and indirectly affect statewide housing efforts.

The *Impact Assistance* program provides grants for the planning, construction, and maintenance of public facilities, and the provision of public services. Loans, in addition to grants, are available for water and wastewater projects. Eligible recipients are municipalities, counties, school districts, special districts and other political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels.

The "*Small Cities*" *Community Development Block Grant* program that provides grants for public facility projects.

The *Colorado Heritage Planning Grant Program* was created in to order to assist local governments in anticipating and responsibly addressing the unique public impacts caused by growth.

Through the *Enterprise Zone* program, the ECONOMIC DEVELOPMENT COMMISSION designates certain economically distressed areas of the state as Enterprise Zones. Businesses may qualify for special state tax incentives to encourage job creation and investment in these zones.

The Division of Local Government, Field Services Section functions as the outreach arm of the department. The staff, located in the eight field areas, work with local clients to define needs; to identify and develop response capacity; coordinate the delivery of department services; provide follow-up with evaluation of services and project effectiveness, and serve as advocate for both local government clients and for department agencies.

Denver based staff work to build independent local government capacity through a variety of general government and community development services and provides or arranges some financing.

Technical Services, in coordination with Field Services, provides a broad range of specialized technical assistance, training, and published materials to enhance administrative capabilities for local governing entities. These services include budgeting and financial management; capital improvement and land use planning; purchasing; environmental matters; water and sewer financing and operations, and financial capacity research and analysis.

Demography provides demographic and economic information, assistance, and coordination to public and private organizations. Services include all decennial census data; general and special population estimates and projections; cooperative programs with the U.S. Bureau of the Census, and special economic and demographic analysis and development projects.

STATE OF COLORADO. Department of Human Services.

Mental Health Services provides public mental health services through two mental health institutes, contracts with three specialty clinics and twenty private non-profit community mental health centers located throughout the State. This service delivery network enables DMH to provide a continuum of care that ranges from intensive inpatient hospital beds to day treatment services in the community. All DMH services are offered to clients on an "ability to pay" basis, with state funds, federal block grant, and Medicare dollars making up the costs which are greater than the available client fees and third party payments.

Developmental Disabilities Services is responsible for services and support provided through the state-operated Regional Centers and 20 Community Center Boards. The Regional Centers provide 24-hour residential services in the "most restricted setting in the continuum of residential services", as well as medical, vocational, and educational services. The Community Center Boards are private, nonprofit organizations located throughout the state whose functions include: needs assessments, planning, coordination of service, and service/supports from approved service agencies. General services provided by this Division to people with developmental disabilities include: case management, residential services/supports, day program services/supports, and family services/supports.

Youth Services administers and contracts with private providers for statewide services for juveniles aged 10 to 21 years of age who have demonstrated delinquent behavior. These providers serve youth in both institutional and community settings.

Supportive Housing and Homeless Programs (SHHP) provides Section 8 rental assistance to families and individuals with mental and physical disabilities. Certificates and vouchers are passed through to 60 local community service providers who provide supportive services to the households. SHHP also administers special rental assistance programs including the Single Room Occupancy Moderate Rehabilitation Program, the Veterans Affairs Supportive Housing Program and a Shelter Plus Care program. They are also active in finding homeownership opportunities for disabled persons.

COLORADO HOUSING AND FINANCE AUTHORITY sells bonds enabling it to provide financing for the acquisition of single-family homes by first-time buyers and for the development of multifamily housing and special needs housing. This agency also administers the Low Income Housing Tax Credit Programs.

LOCAL GOVERNMENTS OR REGIONAL QUASI-PUBLIC ORGANIZATIONS. The Division of Housing works closely with local governments and Councils of Governments throughout the state to deliver housing assistance. Many homeowner rehabilitation programs and down payment assistance programs are administered regionally through one local government or Council of Governments. The Division of Housing has engaged local governments in analyzing the regulatory costs associated with housing development by publishing reports and conducting trainings for local government staff. DOH will also publish *The Housing Colorado: A Guide For Local Officials*, a manual to be distributed to Colorado local governments to teach local governments about the importance of affordable housing and how to identify local housing needs.

Nonprofit Organizations

Colorado communities are served by a large group of nonprofit housing development and service agencies. There are several nonprofit housing organizations that develop housing or deliver housing assistance or services on a statewide basis. Many others are located within and serve a single regional area. Since 1991, the Division of Housing has worked with many local communities on the creation of regional CHDOs. DOH now has 30 certified CHDOs throughout the state. Including those CHDOs in the Denver Metropolitan area, there are 42 certified CHDOs across Colorado. Many of these serve poor rural communities with a variety of housing services. The Division of Housing has also focused attention on increasing the capacity of rural housing authorities to produce more housing in their communities. Many housing authorities that may have owned only one small property have now developed new rental units for families and seniors using a variety of financing resources including tax credits. DOH works with these housing authorities, CHDOs and regional nonprofit organizations during all steps of the development process, from identifying housing demand to putting together financing packages to managing lease up. These efforts have resulted in the creation of many rural projects that would not have happened otherwise. DOH continues to work with these partners on new projects and identify new rural and urban nonprofit partners.

Housing Authorities

The Division of Housing works closely with Colorado housing authorities on many issues. DOH has given technical assistance to housing authorities that are writing their own Five Year plans and has assisted three newly forming multi jurisdictional authorities. Staff work closely with authorities on the Section 8 rental assistance program and on increasing the capacity of smaller housing authorities. Many rural housing authorities in Colorado are now developing other housing programs and properties, or are an integral part of planning a housing strategy for their community. The Division of Housing has encouraged local housing authorities to use their bonding capabilities to increase and improve the supply of affordable rental stock in many communities, as well as provided technical assistance on other rental housing financing options. DOH also encourages participation in the FSS program and promoting homeownership among tenants served by local housing authorities. The Division of Housing continually applies to HUD for additional Section 8 rental assistance vouchers on behalf of local housing authorities and those serving special needs populations.

Foundations

There are many foundations with programs that provide funds for the development of housing and for the delivery of housing related services. Because DOH works statewide with many organizations, our staff is aware of those foundations that are apt to fund various types of housing projects. DOH staff developed a technical brief, or advance, on foundations and corporate giving to help our nonprofit and local government partners access foundation funds. Many rural foundations have funded housing projects in their communities.

The Colorado Association of Realtors has a grant pool called the Housing Opportunity Fund. These funds, which come from local boards of realtors, are distributed regionally and on a statewide level for many housing projects, including down payment assistance programs. The Division of Housing also has produced an advance on the CARHOF funds to ensure that all funds are utilized statewide.

In 1998, the Public Service Company utility company started the New Centuries Energy Foundation that provides some funding for affordable housing projects in its service area.

Funds are distributed for a variety of projects, including housing. Again, DOH staff has disseminated information about these funds and grant cycles to nonprofit housing organizations. Many have been successful in receiving funds for their housing development projects. The Division of Housing will continue to explore new foundation and private funding sources for housing activities in the communities that we serve.

Private Industry

This group includes the corporations, commercial banks, savings & loans, mortgage companies, credit unions, and pension funds. It also includes the construction and real estate industry. Colorado has had a high level of participation from the development and homebuilder community around the issue of affordable housing. These groups continue to advocate for preservation of state funding to the Division of Housing for the Housing Development Grant program. Local banks have begun providing long term financing to housing projects in their areas, some with more flexible loan terms. Some larger banks have begun offering their own affordable housing mortgage products. The Division of Housing will continue to engage these groups in the discussion of increasing the amount of affordable housing in Colorado.

Institutional Structure Non-Housing

Public Institutions

STATE OF COLORADO. Department of Local Affairs.

Division of Local Government Field Services (LGFS) administers programs which directly or indirectly affect statewide efforts; the *Energy and Mineral Impact Assistance (IA) Program*, the *"Small Cities" Community Development Block Grant (CDBG)*, the *Community Services Block Grant (CSBG)*, the *Local Government Gaming Impact Fund*, *Waste Tire Program*, *Conservation Trust Fund*, *Colorado Heritage Planning Grant Program* and the *Search and Rescue Fund*.

Field Services functions as the marketing arm of the department for the non-housing community development needs of the state. The staff are located in eight regional offices and work with local clients to define their needs; to identify and develop response capacity; coordinate the delivery of the department's non-housing services; provide follow-up with evaluation of services and project effectiveness, and serve as advocate for both local government clients and for department agencies.

Given the various goals of the programs, the IA and CDBG programs have a statewide multi-purpose design. The other six programs have a very specific clientele and will only be mentioned casually throughout this discussion. The IA and CDBG programs operate open-competitive grant programs. The IA program may offer loans, but only for very specific water and sewer purposes. By design, no loans are offered through CDBG program. All applications for IA or CDBG funding are reviewed by the regional field staff that prepare the staff evaluation for each application. Providing input into the staff review process are numerous state agencies.

Solid Waste & Landfill	Office of Energy Conservation Local Government/Field Services Department of Health
Drinking Water/Treatment	Local Government/Field Services Department of Health
Sewer/Wastewater/Sludge	Local Government/Field Services Department of Health
Flood Control/Drainage	Colorado Water Conservation Board
Hazardous Material/Emergency Warning	Office of Emergency Services
Education, Distance Learning	Department of Education
Historical	Department of Higher Education/Historic

Also, a listing of all applications is shared with USDA Rural Development for the purpose of determining its interest in working with LGFS on a particular project/s. Except in emergency situations, all IA applications for funding are reviewed by the State Impact Assistance Advisory Committee that makes recommendations to the Executive Director of the Department of Local Affairs for funding. Applications for CDBG are reviewed by staff that make recommendations to the Executive Director for funding.

The Department is represented on numerous boards and advisory groups. Of particular note is the intergovernmental "Water and Sewer Funding Coordination Committee" which is composed of state and federal agencies normally concerned with sewer and water issues. The Committee is made up of the Colorado Municipal League, Colorado Department of Local Affairs, Colorado Water Quality Control Division, Colorado Water Conservation Board, USDA Rural Development, Colorado Rural Water Association, and the Colorado Water Resources and Power Authority. Coordination is provided through LGFS. The Committee produces "lists" of cities, towns, special districts, and unincorporated communities that operate and/or manage water and wastewater systems or need such systems. The "lists" represent only needs which are current and are ranked based on primarily health and capacity concerns using data from various sources including Department of Health district engineers as well as local input. The "lists" are updated monthly. The committee and the "lists" are intended to be a common base for the sharing of information to include potential financial resources for the funding of, either separately or in conjunction with other committee members.

Office of Economic Development and International Trade

The purpose of the Office of Economic Development and International Trade (OED) is to retain Colorado's existing businesses, to help them expand, to encourage out-of-state companies with good quality paying jobs to locate to Colorado and to assist persons/entities starting businesses in the state. The mission of OED is to provide effective, professional assistance to the state's business community and to local communities; to make essential information easily accessible to small business owners throughout the state; to promote the development and expansion of minority businesses; to offer state

job training, marketing, and assistance programs to every region of the state; and to encourage new businesses, business retention expansion and relocation resulting in the retention or creation of Colorado jobs. OED is made up of the following programs: Business Development, Finance, International Trade, Small Business including Small Business Development Centers, Women's Business Office, Economic Development Commission, Minority Business Office, Job Training Funds, Motion Picture and Television Commission, Tourism, and Research and Special Projects.

The Financial Review Committee reviews all CDBG economic development applications and makes final funding decisions.

Gaps in Institutional Structure

Assessment. Affordable Housing has become an issue familiar to much of Colorado. While there are still partnerships to be forged and groups to be educated, local governments, private industry, nonprofit organizations and state government have worked hard to tackle the issues involved in providing affordable housing. Under former Governor Roy Romer and now Governor Bill Owens, there has been a Smart Growth process that includes affordable housing as a growth issue. Representatives of all sectors have participated in these efforts. The gaps remaining in the institutional structure in Colorado are educating the public and reducing the Not In My Backyard (NIMBY), better coordination and cooperation between special needs providers and the organizations that produce housing units, and continued education of local agencies to increase the production of affordable housing units statewide.

Local non-profit organizations and housing authorities. Many of these groups not only lack funds to meet the demands, but they also lack the staff expertise and capacity to expand or diversify their existing services. While many small agencies have taken on developing new housing units in the past five years, there is not enough capacity within the nonprofit community to develop the number of very low, low, and nonprofit units needed in many areas of the state. For profit developers are creating units in some markets, but for the very lowest income households, those with special needs or a need for service enriched housing, there must be increased capacity to produce more housing.

NIMBY. The problem of finding suitable sites for affordable housing continues to be a problem in Colorado. Many neighborhoods are unwilling to have even mixed income rental units in them, let alone housing for persons with special needs. This lack of understanding about and fear of affordable housing residents also hampers efforts to expand Colorado's affordable housing inventory.

Strategy to Overcome Gaps

The Colorado Division of Housing will continue to lead efforts to increase the coordination and involvement of state and federal agencies, public and private nonprofit and others in the leveraging of funding sources, the planning and delivery of housing related services, and development of special initiatives to increase and preserve affordable housing for the extremely low, low, and moderate income families and individual who reside in the State of Colorado.

DOH staff will continue to work at the local level with local governments and housing providers to increase the local capacity to create new affordable housing units. This one-on-one technical assistance will be supplemented by statewide training such as the Developer's Toolkit, *Housing Colorado: a guide*

for local officials, Creative Finance, and Advanced Financing workshops which can help increase the capacity of Colorado's housing providers. The Division of Housing will work with the Department of Human Services and local special needs providers to encourage partnerships between service providers for special needs populations and housing development agencies. These partnerships are essential to increasing the supply of affordable, accessible housing for special needs populations. DOH staff will also work to increase the number of very low income units statewide by increasing awareness of the need for 30% rental units, and helping agencies put together the financing structure to make these units feasible.

The "Big Four Group" which contains Colorado Division of Housing, Colorado Housing and Finance Authority, U.S. Department of Housing and Urban Development, and U.S. Rural Economic and Community Development (RECD) meets monthly to discuss multiple agency rules, and yearly targets specific areas within the state where all funding sources and staff expertise are combined to address immediate housing needs. Staff from these agencies meet every other month to discuss specific projects and areas of the state with a need for new housing units.

Actions contained in several of the Strategies are specific to overcoming the gaps identified above. Strategy I and its goals and actions are designed to address many of these gaps, especially those dealing with increasing local capacity.

Governmental Coordination

The Department of Local Affairs is the one agency in Colorado that deals almost exclusively with local governments on all levels of its mission. This documentation represents hours of community meetings, compilation of written surveys, and consultations with local governments, state agencies, and nonprofit agencies in the state. Cooperation and coordination between The Department of Local Affairs, other involved state agencies and local governments did not just take place to produce this document, that coordination and cooperation is a daily occurrence as can be understood by a complete reading of this document.

Low-Income Housing Tax Credits

Low-Income Housing Tax Credits. The Colorado Housing Finance Authority (CHFA) has the authority to allocate the LIHTC in Colorado. CHFA and the Division of Housing work closely together in using the Low Income Housing Tax Credits to develop affordable housing. The staff of both agencies are in constant contact to discuss new and existing projects and meet formally every other month to update each other on pending projects. This system will be continued during the next five years. The annual plan for allocation of tax credits in 2004 being finalized by the CHFA Board at this time will be available from CHFA upon request. Below are specific actions that will be taken in the next five years to continue this on-going coordination:

Continued close coordination between CHFA and the Division of Housing in the use of LIHTC, federal, state, and private funds for project funding;

Education and training for for-profit, nonprofit and local government housing providers in the use of LIHTC; and, full allocation of all available credits each year for affordable housing.

Public Housing Resident Initiatives

Public Housing Resident Initiatives. The State does not operate any public housing and therefore does not plan for any resident initiatives.

Troubled Housing Authorities

There is one troubled housing authority in Aguilar, Colorado. The Division of Housing will not be involved in providing assistance to that agency.

Barriers to Affordable Housing

Growth management issues have become a primary concern for state and local elected officials in Colorado. The state's rapid increase in development over the last decade has resulted in a closer examination of public policy that directs future transportation improvements, water capacity, open space availability, and housing supply. In the growth management debate various land use policies to control or direct growth are being considered. Depending on the public policy objectives, these land use policies can be viewed as either growth management tools or regulatory barriers.

The contrast between growth management policies or regulatory barriers is most apparent in housing development. As the Division of Housing defined in our 2002 report, *Housing Colorado: The challenge for a growing state*, this contrast is evident in the methods communities use to finance infrastructure, control zoning and subdivision growth; insure health and safety with building codes; limit development through permits and procedural rules; and protect environmental and cultural resources.

From 1998 through 2002, the Colorado General Assembly's Joint Budget Committee required the Division of Housing to report on the type and prevalence of local regulatory barriers to affordable housing, the steps taken by the Division of Housing to reduce these barriers and the effectiveness of these actions. We continue to examine the issue of barriers, although it is no longer legislatively required. The Division defines regulatory barriers as either a deliberate or de facto action that prohibits or discourages the construction of affordable housing without sound reasons directly related to public health and safety; a federal, state, or local statute, ordinance, policy, custom, practice, or procedure that excessively increases the cost of new or rehabilitated housing, either by improperly restricting the location of housing, or by imposing unjustified restrictions on housing development with little or no demonstrated compensating benefit.

Local Regulatory Barriers

As requested by the Legislature, we first examined the type and prevalence of local regulatory barriers. DOH has identified five categories of land use regulations frequently cited as barriers to affordable housing. These include: (1) infrastructure financing; (2) zoning and subdivision controls; (3) building codes; (4) permitting and procedural rules; and (5) environmental regulations. The Division of Housing works with communities to show how local governments in Colorado modify regulations to reduce their impact on affordable housing. This assistance is provided through technical workshops on land use planning and on financing affordable housing. DOH also negotiates with each developer to reduce local

regulatory cost during our application review process. The tables that follow show examples of how local governments used regulatory reform to create affordable housing in 2003.

The following table shows how local governments finance infrastructure improvements such as roads, libraries, schools, parks, etc., and methods to reduce the fiscal impact on affordable housing. Direct payments for expanding services such as roads, parks, and utilities are referred to as an impact fee. Land dedications are often required for larger developments to reduce the expansion cost of schools or parks. Local governments may also require an exaction, which conditions approval of new development for on-site or off-site improvements, such as right-of-ways for expanded transportation or utilities.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Infrastructure Financing	Water/Sewer Tap Fees	The Town of Crested Butte has a reduced fee basis for water and sewer taps for deed-restricted units.
	Water Tap Fees	The City of Aspen provides waivers of water tap fees for deed-restricted affordable housing properties.
	Development Impact Fees	The Town of Breckenridge waives all city-generated fees except sewer fees for housing affordable to households up to 120% of Area Median Income
	Water Tap Fees	The Town of Snowmass provides waivers for water tap fees for deed-restricted rental and ownership units
	Modification of Development Standards	The City of Loveland may modify development standards for affordable housing projects.
	Development Impact Fees	The Town of Rangely waived development fees for a twenty bed assisted living facility
	Exactions	Colorado Springs is sharing the on-site drainage improvements for an affordable housing project.
	Land Dedications	The Durango contributed land to an affordable senior rental housing project.
	Rationing of Building Permits	Boulder is exempting affordable housing from its growth management permit limitation

Zoning & Subdivision Controls: Include standard housing size, width of streets, accessory dwelling units. The primary purpose of zoning restrictions is to separate incompatible land uses. These regulations also are used to maintain real estate values by enforcing controls on the location, size, and appearance of all residential and commercial buildings. However, zoning regulations can limit the use of the most affordable types of housing, multifamily and manufactured housing, by limiting the amount of land zoned for this purpose.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Zoning/Subdivision Controls	Restricted multifamily/ manufactured housing zoning	Garfield Co. requires 15% density bonus for affordable housing of request for rezoning request that increase residential density.
	Standard house & lot size	In Glenwood Springs the Cardiff Glen subdivision has streets 24ft. wide.
	Prohibition of accessory dwelling units	The Cardiff Glen subdivision includes accessory dwelling units better known as mother in law apartments
	Excessive subdivision standards	Forty-three counties have adopted subdivision exemption policies.
	Density Bonus	The City of Brighton grants density bonuses for all new single-family and multifamily dwellings in residential developments when 10% of units are set aside for seniors, are accessible, or affordable units.

Building Codes: A third type of regulation likely to affect a community's supply of affordable housing is the local building code. The building code serves the most important public purpose of health and safety. Building codes govern the use and installation materials and the design standards for the building and the surrounding land. A local building code plays a vital role in protecting not only the occupants of the building but also its long-term value.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Building codes	Mechanical codes	After issuing a code violation for lack of a fire sprinkler system in a group home for lower income persons with developmentally disabilities, the City of Pueblo paid for its installation.

	Material specifications	Las Animas County allows the use of alternative building materials such as straw bale, adobe, and recycled lumber.
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Permitting & Procedural Rules: Application fees & schedules, open-ended approval processes, timing of fee payments. The permitting process can be expensive in terms of fees and time. Fees are charged for inspections, permits, and applications. Time delays in the approval process add uncertainty and risk to an already expensive investment. The following is a table of permits and procedures and how local governments modify their process.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Permitting and Procedures	Complicated fee schedule	City of Delta reduced fees and streamlined its permitting process to hasten the rehabilitation of a building for a domestic violence shelter
	Open-ended review timeline	Las Animas County has a published schedule of permit cost and application timelines.
	Multiple approval process	City of Greeley facilitates the permit review process thru the Planning Dept. Administrative Review Team.

Environmental & Cultural Protection

The Clean Water Act, the Endangered Species Act, the National Environmental Policy Act, and the National Historic Preservation Act are the most prevalent of federal environmental statutes encountered when developing or redeveloping affordable housing. Each of these mandates is federal and must be adhered to by local governments in their development procedures and methods. It is the unpredictability of these regulations that give pause to private investors. Many of the regulatory remedies seek to identify environmentally sensitive land parcels or buildings so private investors can avoid the additional cost or delays inherent in mitigating impacts on the environment.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Resource Protection	Water resource protection	Adjustment of building sites and channeling of a nearby stream prevented flooding at Wapiti Meadows Apartments in Fraser.

	National Environmental Policy Act	Inexpensive materials like straw-bale or wood have been used to construct barriers to reduce noise levels in high traffic areas.
	Endangered Species Act	Front Range local governments have started to identify the Preeble Mouse habitat area for builders to avoid.

Local Land Use Policies

An examination of municipal and county land use policies shows many local governments with flexible land use policies and building codes. The flexibility of policies and codes is a starting point for assessing the local governments ability to reduce perceived regulatory barriers. In 1997, DOH conducted a survey of both municipal and county governments. This information was updated in 2002, but will not be resurveyed until the Spring of 2004 due to budget constraints. The Division of Housing updated the municipal government information and Colorado Counties Inc. gathered the information from counties. Both of these surveys measured similar policies, regulations, and codes.

A total of 140 municipalities participated in the DOH 2002 survey. Of these municipalities, 76% had adopted a Comprehensive or Master Plan. This percentage is very similar to the percentage of municipalities with Comp Plans in 1997, the last year of our survey. Of the communities responding to our survey, 33 do not have a comprehensive or master plan. None of these communities have populations over 1,800 most have populations under 800. Of these 33 communities, 17 will be completing a plan in the coming year.

There seems to be a greater recognition of housing needs by communities since more are including housing as an element in their Comp Plans. In 1997, 63% included housing in their Comp Plan, while in 2002 this percent increased to 85%. It seems that local governments have responded to the Legislature's initiative with the passage of House Bill 1093 in 1997. The Act directed local governments to consider housing when revising or adopting Comp Plans.

Of the 64 counties in Colorado, 46 have master plans or comprehensive plans and nine have not adopted a plan. Ten counties did not respond to the survey. Of the counties with comprehensive plans, thirty have either created or updated their plans since 1990, eighteen of these since 1995; only four rural counties omitted affordable housing as a plan element. The primary funding source for these plans other than the community's General Funds is the state. The state sources include the use of students from state colleges or planning grants from state agencies.

The use of intergovernmental agreements between counties and municipalities for residential development is recognition of the intricacies of growth management. Accounting for all of the counties that comprise the growth corridors of I-25 and I-70 each has adopted intergovernmental agreements regarding land use decisions with adjoining governmental entities. These agreements will be the backbone of future growth priorities. These agreements contain policies for annexation, extension of utilities, and expanded public services. The provision for affordable housing should also be included in these intergovernmental agreements, particularly in the state's high growth areas.

The Division of Housing's Effectiveness In Reducing The Impact Of Land Use Regulations

DOH provides technical assistance to local governments seeking to modify land use regulations in order to encourage affordable housing development. A priority for DOH during our financial underwriting process is to assess a local government's financial contribution compared to the impact its regulations and policies have on the total project cost. Both of these efforts have produced concrete results.

As applications are reviewed for funding from the Division of Housing, an analysis of local contributions and costs is done. DOH staff works with housing agencies and local governments to reduce the cost burden that local fees and development requirements can place upon an affordable housing project. The following table shows the results of these negotiations from 2000-2002. The table shows that the amount of local contribution to projects increased. Increased contributions in 2002 include two large projects in difficult-to-develop areas where local governments contributed land to projects, or required more density in projects to augment affordability.

Rural Development/New Construction 2000-2002

	2000	2001	2002
Number of Projects	5	3	7
Total Project Cost	\$15,305,163	\$19,035,997	\$92,229,770
DOH Subsidy	1,634,000	1,425,000	\$ 3,752,975
Local Gov't Contribution	1,198,597	3,248,448	\$16,989,323
Cost of Local Fees	754,375	630,528	\$ 3,147,266

In urban settings, 2002 local government contributions exceed the state's investment by more than \$1.7 million. Local government contributions also exceed local fees.

Urban Development/New Construction, 2000-2002

	2000	2001	2002
Number of Projects	11	10	12
Total Project Cost	\$51,834,379	79,226,645	\$132,025,392
DOH Subsidy	2,862,600	3,270,886	\$ 6,153,573
Local Gov't Contribution	3,960,820	2,984,500	\$ 7,883,000
Cost of Local Fees	1,974,656	7,479,375	\$ 7,731,149

Technical Assistance

In 1999, the Division of Housing conducted a series of workshops for local government officials, homebuilders, elected officials, and affordable housing professionals. Each workshop profiled actions taken by local communities that reduce the impact of land use regulations on affordable housing. Each workshop also promoted the use of the Division's "Reducing Housing Cost Through Regulatory Reform" handbook. Over 400 copies of this publication have been distributed through the workshops or by direct requests. In 2004, the Division will again provide workshops for local government officials. Those workshops will be geared towards increasing governmental participation in affordable housing partnerships, along with providing information about land use tools that reduce the impact of regulation on affordable housing.

Based on the success of these workshops and publications like "Reducing Housing Cost Through Regulatory Reform", DOH has become a primary resource to local governments seeking to modify land use policy to encourage affordable housing development. Examples of communities modifying land use policies and regulations in 2003 to increase their affordable housing supply include: the City of Brighton, and Garfield County.

Each community is utilizing existing governmental powers to increase the supply of affordable housing. The City of Brighton modified its regulations so it may grant density bonuses for all new single-family and multi-family dwellings in residential developments where 10% of units are set aside for seniors, are assessable or affordable. Garfield County amended its land use regulations to expand its inclusionary zoning requirements and bonuses for developers of affordable housing. The Town of Winter Park assesses a \$3.00/sq. ft. charge on each new development in the town. Proceeds go to support affordable housing within the town. Builders of single units can apply for exemptions from the Grand County Housing Authority. Developers of larger projects can work with the City Council to provide affordable units in lieu of the fee.

Lead-Based Paint Hazards Reduction

The Colorado Division of Housing (DOH) recognizes that childhood lead poisoning is potentially a serious hazard to the children of this state. DOH continues to work closely with sub-grantees and contract agencies to assure that the current requirements of Title X are met. The Colorado Department of Public Health and Environment (CDPHE) is the lead state agency for development of lead hazard reduction strategies through training, certification, risk assessment, and remediation. Staff of the DOH works closely with CDPHE on the development of lead-based paint hazard reduction strategies.

On September 15, 1999, the U.S. Department of Housing and Urban Development (HUD) issued additional regulations to protect young children from lead-based paint. These new regulations are being issued under sections 1012 and 1013 of Title X and took effect on September 15, 2000. DOH requested and received from HUD an extension of the date of implementation of the lead-based regulations to September 10, 2001. The new regulations place a greater emphasis on reducing lead in house dust than do existing regulations. The DOH has received the training and information necessary to implement the new regulations in all applicable programs administered by CDOH.

The CDPHE was given statutory authority for the development of the Lead Hazard Reduction Program during the 1997 legislative session. The CDPHE has developed a statewide comprehensive plan to reduce childhood lead poisoning. The plan was completed July 1, 1998. The rules and regulations of the statewide comprehensive plan became effective in September 1998. They essentially mirror the guidance provided in Title X. The CDPHE is authorized by the E.P.A. to provide training and certification programs for lead abatement workers, lead inspectors, risk assessors, contractors/supervisors and project planners.

For the past several years CDPHE has received CDC Surveillance funding and EPA funding, which has allowed the Department to determine the extent of the lead poisoning in Colorado and to determine an appropriate program for the state. The most recent epidemiological data is for the years 1994 through 1997.

From January 1994 through December 1997, 23,020 test results for children 6 months to 72 months old were reported to CDPHE. The categories are listed in the following way, 22,208 (96.5%) children had blood lead levels <10ug/dL, 535 (2.3%) children had blood lead levels 10-14.9ug/dL, 167 (.7%) children had blood lead levels 15-19.9ug/dL, 110 (.5%) children had blood lead levels >20ug/dL. Overall, the incidence of elevated blood lead levels for children in Colorado tested from 1996 – 2000 is 3.0%.

From June through September 1995, the Colorado Department of Public Health and Environment conducted a survey of blood lead levels among children living in north central Denver. The area was selected based on 1994 surveillance data; data on age of housing units, household income, and race/ethnicity; and information provided by a concerned community group. A census of a randomly selected sample of households living in the survey area was conducted from April through June 1995 to identify children from 12-35 months of age. Of the children identified in the census who could be located a few weeks later for blood specimen collection, 60.4% or 173 participated. A pediatric phlebotomist collected a blood specimen by appointment in each child's home. The proportion with blood lead levels > 10 µg/dL was 16.2%. The proportion with elevated levels was higher than expected and over five times greater than the overall rate (3.2%) for Denver County calculated from 1994 surveillance reports. The findings are consistent with the idea that there exist "pockets" of childhood lead poisoning within the city. The results of the survey highlight the problem of lead poisoning in the city and the need to provide resources for environmental investigation and intervention.

The strategy for the years 2000 through 2005 is to meet all applicable lead-based paint regulations on a statewide basis.

Market and Inventory Conditions. The number of housing units which may contain lead-based paint in the State of Colorado and which are occupied by low and very-low income persons represent a substantial percentage of the total housing stock. Estimates are as follows:

Estimate of Housing Units With Lead Based Paint - State of Colorado

Pre-1940 Housing Units

Total All Units 145,236

Total Renter Units	56,435	Total Owner Units	88,801
Extremely Low	34,453	Extremely Low	18,214
Low	18,934	Low	32,771

Total Low Income Units 104,372

1940-1959 Housing Units

Total All Units 54,530

Total Renter Units	22,286	Total Owner Units	32,244
Extremely Low	12,970	Extremely Low	5,775
Low	8,329	Low	14,349

Total Low Income Units 41,423

1960-1979 Housing Units

Total All Units 461,516

Total Renter Units	168,400	Total Owner Units	293,116
Extremely Low	88,644	Extremely Low	39,258
Low	67,551	Low	90,488

Total Low Income Units 285,941

It is therefore estimated that 661,282 housing units (+/-10%) in the State of Colorado contain lead-based paint. The estimated total number of low-income units that may contain lead based paint is 431,736 (+/-10%) or approximately 65% of all housing units that contain lead-based paint.

Hazard Reduction Strategies. The Colorado Division of Housing has adopted the following strategies for accomplishment in the next five years:

Strategy #1: Increase Partnerships to Reduce Lead-Based Paint Hazards

The DOH will continue to work with public and private efforts to reduce lead-based paint hazards to young children. The DOH will continue to work with an inter-agency work group, the Colorado Lead Coalition, to develop and implement strategies for statewide hazard reduction. The DOH will continue to coordinate with the Colorado Department of Public Health and Environment, the lead agency in this effort. The CDPHE requires that all children that are eligible for Medicaid have blood lead screenings at 12 months and again at 24 months. Such screening is an eligible Medicaid expense. Physicians who administer the tests are required to report those children with elevated lead blood levels to CPDHE. The results of these screenings will be monitored on an on-going basis in order to identify communities with a higher incidence of lead poisoning. Primary remediation efforts will be targeted to these communities and to homes where children with elevated blood lead levels have been identified.

Strategy #2: Provide Public Information and Education

All sub-grantees and contractors have been provided with current literature to distribute to occupants of housing assisted with DOH funds. This includes the single-family owner-occupied rehabilitation program, the Section 8 voucher program, and programs that assist in the acquisition and rehabilitation of rental properties. The EPA pamphlet “Protect Your Family From Lead in Your Home” is distributed to DOH sub-grantees who, in turn, to distribute this literature to residents. All property owners that receive funding from DOH are also required to provide full disclosure regarding lead hazards to purchasers of targeted housing. In conjunction with the Colorado Lead Coalition, DOH staff and subgrantees will continue to participate in presentations and in the distribution of lead-based paint information to the public and special interest groups.

Strategy #3: Increase Delivery System and Technical Capacity

The Colorado Division of Housing will continue to provide on-going technical assistance to all DOH sub-grantees on the requirements of Sections 1012 and 1013 of Title X through the use of HUD-sponsored training activities and through the development and distribution of regional best practice methods. The goal of this technical assistance is to meet the requirements of the new HUD lead-based paint regulations in the most effective and economical ways possible.

Monitoring Standards and Procedures

In order to successfully administer state and federal affordable housing funds, Colorado Division of Housing (DOH) has developed a monitoring plan to ensure that affordable housing being built and program compliance is done appropriately. During the course of grant/loan administration, project performance is monitored in a variety of ways; project performance goals are listed within the contract, the grantee is required to submit monthly/quarterly reports and a risk-based monitoring is conducted at the end of the contract. The DOH risk-based approach to monitoring allows asset managers to focus more time on grantees that are at higher risk of encountering problems during the use of affordable housing funds.

A Project Performance Plan (PPP) is made part of most all of DOH funding contracts. A PPP sets forth goals and milestones that a project must meet in order for it to be successful and be in compliance with federal and state requirements. The PPP addresses anticipated project problems and time lines needed to complete and manage the project. Performance goals and time lines include such items as (but is not limited to); financial management, maintenance plan, marketing plan, leasing and occupancy policies, management capacity, and production results. Asset managers monitor each project’s PPP monthly to ensure the project is on track. The PPP is also used to plan DOH training and technical assistance.

In addition, DOH requires that all projects submit monthly/quarterly reports on their grant/loan financial status and a written narrative on project performance. Therefore, project monitoring is ongoing through the term of the contract.

Near the end of a project’s contract term, the asset manager conducts a project monitoring using the risk-based approach. The level of monitoring for each project is determined at the contract start by the program manager with input from the developer and asset manager. The level of monitoring is listed on

the PPP. Under the risk-based monitoring approach, recipients are categorized into three main classifications:

FULL (AF@ in monthly Paradox Report) - A FULL monitoring determination will require an Asset Manager to address all identified areas pertaining to the project within the regular DOH monitoring documents. The asset manager will also have to visit the project on-site and complete a housing quality standards inspection on a minimum 5% of the units. The program manager will recommend a FULL monitoring if the project contains the following:

- C New Grantee- Grantee who have never received funding from DOH and/or Grantee that has not received funding in the last three years.
- C New activity for existing grantee
- C Complicated project
- C Unresolved findings or concerns at last contract
- C Repeat instances of findings or concerns
- C Audit findings or no audit conducted
- C Staff turnover of key positions involving the project
- C Staff recommendation due to unexpected problems occurring during the project.
- C Large amount of funding awarded

PARTIAL (AP@ in monthly Paradox Report) - A PARTIAL monitoring will require the asset manager conduct a modified monitoring involving a condensed monitoring form, grantee certification and perform a site inspection. The grantee may be asked to supply reports such as rent rolls through the mail or fax. The developer may assist the asset manager in performing the site inspection if convenient. The developer and asset manager will recommend a PARTIAL monitoring to the program manager if the project contains the following:

- C Uncomplicated project
- C Repeat grantee-same/similar type project
- C Grantee had no findings during last monitoring
- C Grantee is considered moderate in administrative capacity
- C Predevelopment Grant
- C Needs Assessment
- C CHDO Operating

MINIMUM (AN@ in monthly Paradox Report) - A MINIMUM level of monitoring will only apply to continuing programs such as the SFOO Rehab, Down payment, ESG or Section 8 Rental Assistance. This type of monitoring requires the regular on-going using monthly/quarterly reporting documents. If a grantee is high functioning, an on site visit may be delayed for up to two (2) years. The program manager will approve this type of monitoring only if the project contains the following:

- C Grantee has not received any findings or concerns in the past two (2) years.
- C Grantee is considered a high functioning project administrator.

LONG TERM MONITORING

DOH has implemented a long-term monitoring plan to ensure that affordability restrictions required by HOME federal regulation are adhered to. DOH performs on-sight monitoring based on the number of HOME restricted units within a project. On-site monitoring is done based on the following HOME requirements:

- a) at least every three years for projects containing one to four units;
- b) at least every two years for projects containing five to twenty-five units;
- c) at least once a year for projects containing more than 26 units.

DOH's database will generate letters to all HOME projects requiring annual reports on current rent rolls and tenant eligibility requirements. With this new system, DOH is able to monitor annually for HOME regulation compliance.

SPECIFIC PROGRAM DESCRIPTIONS

Home Investment Partnership Program

I. FUND DISTRIBUTION

It is estimated that at least \$6,888,060 net of administration will be allocated to the State of Colorado for federal fiscal year 2003. Administration is expected to be \$900,400. Should the Division of Housing receive either more funding or less funding than this figure, these funds will be distributed through the same methodology as follows. The Division will utilize a competitive application process except for existing multi-jurisdictional single-family owner occupied rehabilitation programs that will receive funding in accordance with the State Single Family Owner Occupied Rehabilitation Policy. Applications will be reviewed and considered on a continuous basis by the Division of Housing, Department of Local Affairs. The Division may end or defer consideration of housing proposals when funds available have been exhausted or when proposals are incomplete or premature.

Applications for HOME should reflect local needs as well as be consistent with the State of Colorado's annually approved Consolidated Plan. The Division has also developed a set of tools to analyze applications and guide potential applicants. These tools are the Cost and Effectiveness Rating Instrument (CERI) and the Funding Gap Analysis Spreadsheet. DOH staff also review applications to ensure that proposals meet the federal requirements for each program, including the HOME program.

CERI and the Funding Gap Analysis Spreadsheet are used by the DOH staff and the SHB to evaluate the relative merits of funding applications. Two separate assessments are made to determine the Division of Housing's Cost Effectiveness Rating. The sum of these two assessments, the cost of housing a person and the type of housing being developed, measures the cost and the effectiveness of each development. The Division's development staff will use the following procedures on rental and homeowner projects with single sites.

Step One: Cost Per Person Housed

By completing the development cost page of our Housing Development Analysis Spreadsheet, we use the total development expense to calculate the cost per person housed. The total development expense is divided by the estimated number of people housed in the proposed development. The total number of people housed in the development is determined by multiplying the total number of bedrooms by 1.5 people for family and one for efficiencies and Single Room Occupancy (SRO). This number per bedroom is based on the California Affordable Housing Cost Task Force Policy Report, 1993. The cost per person is the result of this calculation. The following is an example:

The total number of bedrooms for this example is 180. Since this is a family rental the number of bedrooms (180) is multiplied by 1.5 persons per bedroom. If this example included efficiencies, SROs, or only seniors the person per bedroom could be adjusted to one person per bedroom.

$$180 \text{ bedrooms} \times 1.5 \text{ persons per bedroom} = 270 \text{ persons}$$

The total development expense for this project is \$4,870,000. This number is divided by the number of persons housed by the development.

$$\$4,870,000 / 270 = \$18,037$$

The answer, \$18,037 is the amount of development expense required to house one person for one year. To accurately measure the total impact the per person cost is divided by the affordability period. In this example the affordability period is 30 years.

$$\$18,037 / 30 = \$601 \text{ per year}$$

How does this cost compare to other developments financed by the Division? It is estimated that the average per unit cost of a two-bedroom apartment financed by the Division is \$70,000. To draw this comparison, a scale is used which gives a range of the construction cost per person housed. This range is \$35,000 to \$11,667. These cost are divided by the minimum 10 years and the maximum 50 years for affordability to determine the following scale.

Cost Per Person Housed



A numerical value of 8 would be given to this result. This value is marked by the X.

Step Two: Externalities

An assessment is made of a proposed housing development's effectiveness as a place to live. Ten factors are used to measure a housing development's social, environmental, and personal impact on individual residents or the community, in general. The Division of Housing uses a list of ten externalities to make this determination.

Each factor will receive either a +1 or a -1 in scoring each externality. The total score is then compared to the following range:

-10 -9 -8 -7 -6 -5 -4 -3 -2 -1 0 1 2 3 4 5 6 7 8 9 10

| | | | | | | | | | | | | | | X | | | |

Step Three: Rent Savings

The DOH Rent Savings Rating, return on investment, compares the amount of DOH investment in a project to household rent savings. The rent savings is the amount of household income saved by a family or individual who is paying a subsidized rent compared to a market rent. The difference between subsidized rents and market rents can vary widely in Colorado.

The Division's development staff will use the following procedures for rating the rent savings of each rental project, for new construction and rehabilitation.

The attached Rent Savings matrix will be completed by the DOH development staff for each proposed rental project. The "Market Rents" section will list the market rents for the entire project by bedroom size. The sources for market rents include: The DOH Multifamily Vacancy & Rental Survey, the Denver Metro Apartment Vacancy & Rent Survey, current market area appraisals, and in the absence of any market data, other comparable rent sources. The "Proposed Rents" section will list the market and affordable rents developers are proposing to charge households. The difference between the total of Market and Proposed Rents will be listed as Annual Rent Savings for each household.

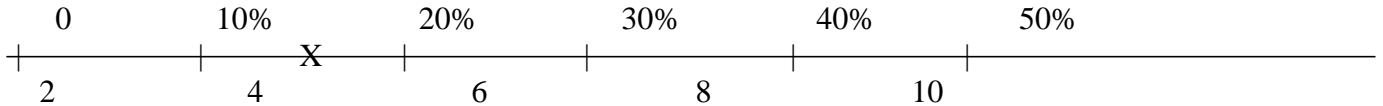
The DOH development staff will enter the requested DOH subsidy amount. This will be used to calculate the per unit subsidy amount for rent restricted units and the return on investment shown as a percentage of the savings per unit and the DOH subsidy per unit. The following examples show that the DOH return on investment is 20%.

Rent Savings Worksheet

Market Rents				Proposed Rents			
	Rents	#-units	Total Rent		Rents	# units	Total Rent
OBR		0	0	OBR	0	0	0
1BR	543	14	7602				0
2BR			0				0
3BR			0	1BR	250	6	1500
4BR	0	0	0		350	6	2100
	Total MKT rent		\$7,602		400	2	800
				2BR	0	0	0
					0	0	0
					0	0	0
Monthly Rent Savings:	\$3,202			3BR	0	0	0
Annual Rent Savings:	\$38,424				0	0	0
Total Units		14					0
Annual Savings/unit:	\$2,745			4BR			0
DOH Subsidy:	195000						0
DOH Subsidy/unit	13928.5714						0
				Total Proposed rent			\$4,400
*Sav per unit/DOH sub per unit:			20%				

*The Return On Investment (Savings per unit/DOH subsidy per unit) in this example is calculated by dividing the Annual Rent savings per units \$2,745 by the DOH Subsidy per unit \$13,928.

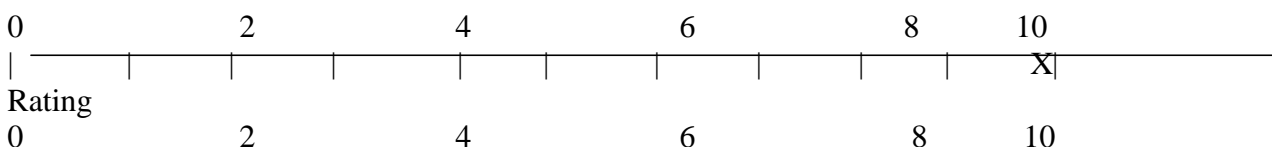
Return On Investment from Rent Savings



Step Four: Leveraging

The Division uses its funding to fill a financing gap for affordable housing developments. By filling this gap with either a loan or grant the Division partners with other financing sources to complete the financial feasibility of a development. By sharing the risk with other funding partners the Division leverages its resources with private and public investors. The leveraging ratio is created to show the amount of funds from other sources the Division is able to match or secure by its investment. This “leveraging ratio” is measured on a ten-point scale. One point is given for each dollar leveraged up to a maximum of 10 to 1. For developments able to leverage more than \$10 for every \$1 DOH, the scale is limited to a maximum score of 10. In the example, the Division invests \$200,000 and leverages an additional \$4.6 million. This scores 10 on our leveraging scale.

Amount Leverage

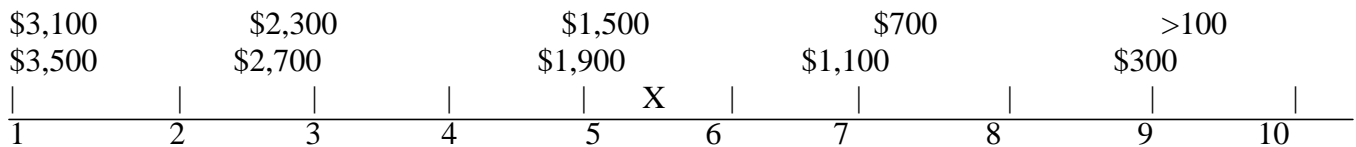


Colorado Division of Housing's Cost Effectiveness Rating

Each of the following scales is completed to determine the cost effectiveness rating for a particular project.

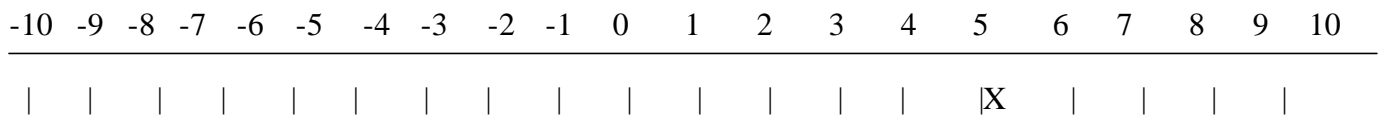
Step One

Cost Per Person Housed



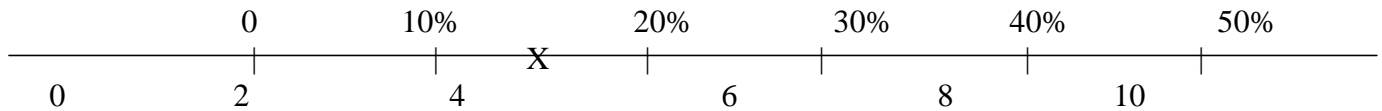
Step Two

Externality Rating



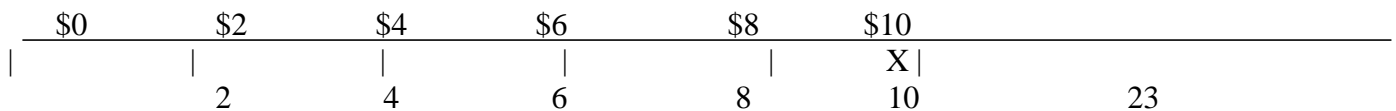
Step Three

Return On Investment from Rent Savings



Step Four

Leveraging



Step Five

Cost Effectiveness Composite Score (This Score is the total of all four of the above factors).

Externalities Matrix - Each external factor below should be scored positively or negatively based on the measure indicated.	+1	-1
1. Project Impact/Need - The project meets an affordable housing need evidenced by market data.		
2. Public/Private Commitment - The project has local government or community financial support.		
3. Management Capability - The project developer has the capability of completing the project in a timely and satisfactory manner.		
4. Consistency With Local Land Use Plans - Utilities, infrastructure, transportation and public services are available to the project without undue hardship or excessive cost.		
5. Environmental Impact - The project will not have a detrimental impact on air quality, water quality, noise levels, view corridors or other locally determined areas of environmental concern.		
6. Social Impact - The project will not have a detrimental social impact on the community or the residents.		
7. Special Needs Population - Households residing in the project include persons with physical or mental disabilities or independent or assisted housing for seniors.		
8. High Growth Area - Counties with a greater than average growth in population or housing cost over the last two years.		
9. Preservation of Existing Affordable Housing - The project would acquire and/or rehabilitate existing affordable rental housing.		
10. Serving Persons With Extremely Low Incomes - The project would provide at least 5% of their rental units to persons with incomes below 30% AMI.		

The other tool used by DOH staff is the gaps analysis spreadsheet. Through this software, an analysis is done of project development cost, income and expense. This analysis results in a determination of how much debt a project can reasonably service and the amount of gap funding required for the project to proceed. This gap is filled through a variety of sources including funds administered by DOH.

The combination of these two tools allows the SHB to target limited resources to the housing activities with the highest need in an individual community. As well, the amount of subsidy required can be accurately determined. Development staff can also provide community-housing developers with specific guidance regarding project development. This allows development staff to work in the planning stages guiding and modifying projects before they go before the SHB.

Early in the process, DOH staff provides feedback to developers regarding the appropriateness of development concepts. This timely intervention is necessary because developers must incur predevelopment expenses (sometimes in excess of \$100,000) before a project can be brought before the SHB. Developers are discouraged from submitting requests that do not meet DOH priorities. While staff works with developers to modify projects to meet DOH standards, only projects that meet the priority target populations are cultivated.

The results of the staff review will be forwarded to the Executive Director of the Department of Local Affairs, and brought to the Colorado State Housing Board, an advisory board. The consultation with the board is usually at a regularly scheduled monthly hearing, but also may be by telephone or mail. The Department Executive Director will consider staff reviews and any advisory committee recommendations and make the final funding decisions based on the project review factors.

In making funding decisions as well as decisions on proposed modifications to funded projects, the Department Executive Director may specify alternatives or changes as he deems necessary or appropriate, consistent with the project review factors. Alternatives and changes specified may include, but are not necessarily limited to: providing more or less funding than requested, proposed, or recommended; adjusting project budget line items; providing funds for only selected activities within an overall project; making a single award to two or more separate applicants so that projects can be undertaken on a multi-jurisdictional basis; changing terms, uses, and conditions; and permitting projects to be amended to include additional, fewer, or different project activities.

DIRECT ADMINISTRATION. The Department of Local Affairs may choose to administer HOME funds directly if it determines that a specific project would benefit from such administration.

GEOGRAPHIC FUND DISTRIBUTION. The Department of Local Affairs intends to distribute HOME funds by considering both geographic and population needs. Funding decisions will include consideration of prior housing projects funded within the area as well as quantified need level driven by population distribution including the needs of special populations as identified in the State of Colorado's annually approved Consolidated Plan. Projects that occur in high growth areas are considered to be high priority projects.

II. COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

The State of Colorado will reserve fifteen percent of its allocation for community housing development organizations (CHDOs). The amount available for CHDOs is expected to be \$1,215,540. The CHDO funds will also be distributed through a competitive process on a continuous basis.

The Division of Housing will identify CHDOs in the state through a two-fold process. A questionnaire which will enable potential and existing CHDOs to determine if they are eligible as CHDOs will be sent to nonprofits and housing providers throughout the state upon request. At the same time, the housing development staff of the Division of Housing will continue to work to identify potential CHDOs in their specific geographic areas. Applicants and/or their sub-grantees applying through the competitive process for HOME funds will also be screened to identify any existing or potential CHDOs.

It is anticipated that the types of activities to be undertaken by CHDOs will be acquisition, rehabilitation, homebuyer programs, and new construction. It is also anticipated that some CHDOs may be interested in applying for the project specific technical assistance loans.

III. OTHER FORMS OF INVESTMENT

The Division of Housing does not provide other forms of investment to projects other than those described in 92.205(b) of the HOME regulations.

IV. REFINANCING

HOME funds may be used to refinance existing debt on an eligible single-family, owner-occupied property when HOME funds are used to rehabilitate the unit, if the overall housing costs for the owner will be reduced and the housing made more affordable.

HOME funds may also be used to refinance existing debt on multifamily rehabilitation or new construction projects if refinancing is necessary to permit continued long-term affordability and is consistent with the state established guidelines. To qualify the proposed project must meet one of the following guidelines:

- (i) rehabilitation is the primary eligible activity. This means that the amount of HOME funds being used for rehabilitation must be equal to or in excess of the amount of HOME funds being used to refinance existing debt on the property. At a minimum the ratio of rehabilitation costs to refinancing costs must be 1 to 1, or a minimum rehabilitation cost \$5,000 per unit;
- (ii) a review of management practices should demonstrate that disinvestment in the property has not occurred, that the long term needs of the project can be met and that it is feasible to serving the targeted population over the proposed affordability period;
- (iii) the application must state whether the new investment is being made to maintain current affordable units, create additional affordable units, or both;
- (iv) the required period of affordability will be a minimum of 30 years;
- (v) the state will accept applications for refinancing statewide; and,
- (vii) HOME funds will not be used to refinance multifamily loans made or insured by any Federal program, including CDBG unless additional affordable units will be income-restricted to low income household or the affordability period is being extended.

V. COSTS RELATED TO PAYMENT OF LOANS

If the HOME funds are not used to directly pay a cost specified in this section, but are used to pay off a construction loan, bridge financing loan, guaranteed or insured loan, the payment of principal and interest for such loan is an eligible cost only if:

- (1) The loan was used for eligible costs specified in this section, and
- (2) The HOME assistance is part of the original financing for the project and the project meets the requirements of this part

VI. ADMINISTRATION AND PLANNING COSTS

The Department of Local Affairs, Division of Housing may expend for its HOME administrative and planning costs ten percent (10%) of the HOME allocation.

VII. HOMEBUYERS PROGRAM

The Department of Local Affairs, Division of Housing, will accept applications for homebuyer programs if they meet the guidelines for resale as required in 24 CFR 92.254. Homebuyer program guidelines must meet the following federally required qualifications.

Qualify as affordable:

- If purchased with or without rehabilitation the initial purchase price does not exceed 95% of the median purchase price for the type of single-family housing (1 to 4-family residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot) for the area as determined by HUD; and has an estimated appraisal value at acquisition, if standard, or after any repair needed to meet property standards in 92.251, that does not exceed 95% of the median purchase price for similar type of single-family housing.
- It must be the principal residence of the owner whose family income qualifies (equal to or less than 80% of area median family income) at the time of purchase;
- Is purchased within 36 months if a lease-purchase agreement in conjunction with a homebuyer program is used to acquire the housing;
- Meets the federally required resale restrictions or the federally required minimum affordability periods. However the state will seek to maximize the affordability period for homeowner and rental properties. To maximize affordability periods we have established a threshold of thirty (30) years, but will make every effort to extend this period to 40 years and beyond.

STATE GUIDELINES FOR HOMEBUYER PROGRAMS

The State will assure that any homebuyer program capitalized with HOME funds will meet the following requirements for the properties and prospective homeowners to participate in this activity.

ELIGIBLE ACTIVITIES. HOME funds may be used for acquisition or for the acquisition and rehabilitation of homes for homebuyers whose incomes are equal to or less than 80% of area median income.

ELIGIBLE PROPERTY-OWNER. The prospective purchasing household must meet two key federally required eligibility criteria in order to participate.

- 1) Must have a gross income that does not exceed eighty percent (80%) of the area median income. The purchasing household must be low income at the time of the household initially occupies the property, or at the time the HOME funds are invested, whichever is later. Verification of income eligibility is good for a period of six months.
- 2) Must occupy the property as a principal residence. The deed and the loan documents (Promissory Note) between the buyer and seller should incorporate this requirement and the requirement that subleases are only allowed with written approval by the State.

A third criterion has been added by the state. This criterion limits homebuyer assistance to households with incomes between 60% and 80%. This criterion reflects the minimum income required by homeownership to initially purchase and maintain a home. Homeowners participating in a self-help housing program may have incomes less than 60% AMI.

ELIGIBLE PROPERTY TYPES. Property that is eligible to be used in a homebuyer program is not restricted to federal properties or to other publicly held properties. The property can be PRIVATELY or PUBLICLY held prior to sale to the homebuyer. The property can be an existing property or newly constructed. Any property which will serve as the purchaser's principal residence, including:

- A single family property (one unit);
- A two to four unit property;
- A condominium unit;
- A manufactured home and lot;
- A manufactured home lot; and,
- A cooperative unit.

FORMS OF OWNERSHIP. For purposes of the HOME program, homeownership means ownership in fee simple title or a 99 year leasehold interest in a one to four unit dwelling or in a condominium unit, or ownership or membership in a cooperative or mutual housing project if recognized by state law as homeownership. The ownership interest may be subject only to the following:

- Mortgages, deeds of trust or other debt instruments approved by the State; and,
- Any other encumbrances or restrictions that do not impair the marketability of the ownership interest, other than the HOME program restrictions on resale.

PROPERTY STANDARDS. Before property transfer, the house must be inspected for health and safety defects. The prospective purchaser must be notified of the work needed to cure defects and the time frame which it will take to complete the repairs.

Acquisition Only -- Property must meet local housing standards or codes at the time of initial occupancy. If no standards exist, Section 8 Housing Quality Standards (HQS) must be met.

Acquisition and Rehabilitation -- where rehabilitation to the property is needed. The property must be free from any defects that pose a danger to the health or safety of occupants before occupancy and not later than 6 months after property transfer. Within 2 years of property transfer to the homebuyer, the property must meet all applicable local codes, rehabilitation standards, ordinances and zoning ordinances at the time of project completion.

All construction projects (rehabilitation and new construction) assisted with HOME funds must meet local codes, rehabilitation standards, ordinances and zoning ordinances. In the absence of local requirements, projects must meet the following:

- < One of three model codes--Uniform Building Code (ICBO); National Building Code (BOCA); Standard Building Code (SBCC)

- < Council of American Building Officials One to Two Family Code (CABO);
- < the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926.

New construction -- Newly constructed housing must meet the Model Energy Code published by the Council of American Building Officials.

HOME-assisted construction must meet the accessibility standards of the Fair Housing and Section 504.

PROPERTY VALUE (AT TIME OF PURCHASE). The initial purchase price that does not exceed 95% of the median purchase price for the type of single family housing for that type of housing. The state may establish the area median value by using the Section 203(b) limits or the state may establish the value through a community-wide market analysis. The value may be established by an appraisal by a qualified appraiser or qualified staff of a HOME program administrator.

INCOME QUALIFICATION AND AFFORDABILITY. There are NO federal requirements that the homebuyer remain low income after purchase of the unit. There is NO federal requirement that determines a minimum or maximum amount for the monthly housing costs (PITI) or, that the homeowner's PITI remain affordable to the homebuyer. However, the state does use a maximum household income of 80% and a minimum household income of 60% for initial eligibility, unless the purchaser is a self-help program participant below 60% AMI.

RESALE RESTRICTIONS OR RECAPTURE PROVISIONS. In accordance with the HOME Program requirements the State will accept either the resale restriction or the recapture provision for maintaining the affordability of housing in Homebuyer Program Policies submitted in applications requesting HOME funding. The restrictions and recapture provisions are the following:

OPTION ONE -- Create Another Affordable Units by recapturing the HOME Investment

The property may be sold during the affordability period with full or partial repayment of the HOME assistance. Recaptured funds must be used for more HOME eligible activity.

- < Recapture entire amount - require the entire investment to be repaid.
- < Reduction during affordability period - the investment amount to be recaptured may be reduced on a pro rata basis for the time the homeowner has owned and occupied the housing measured against the affordability period.
- < Shared net proceeds - If the entire amount cannot be recaptured plus enable the owner to recoup their down-payment and capital investments in the property, the proceeds may be shared based on the following formula.

HOME investment

HOME investment + Homeowner investment / Net Proceeds = % of HOME \$ to be recaptured

Homeowner investment

HOME investment + Homeowner investment / Net Proceeds = % of Amount to homeowner

HOME funds subject to recapture include any development subsidy or direct assistance to the homebuyer that reduced the purchase price from fair market value to an affordable price or any down payment or subordinate financing provided on behalf of the purchase.

OPTION TWO -- Sell the Existing Property to a Subsequent Low-income Purchaser

- The subsequent purchaser must be a low-income family (80% or less of area median income) that will use the property as its principal residence.
- The sale of the property to the new low income family must be at a price which allows for:
- "fair return on investment, including any improvements" to the seller (the former homebuyer).

AND ALSO,

- The property must be affordable to a reasonable range of low-income purchasers.
- Housing may be presumed to meet all of the resale requirements (i.e., fair return, affordable, and that the subsequent buyer is low income) during the period of affordability without enforcement mechanisms if this presumption is supported by a local market analysis.
- The market analysis of the neighborhood must indicate that the housing is and will continue to be available and affordable to a reasonable range of low-income families .

THE AFFORDABILITY PERIOD RESTRICTIONS on sale of the property are waived if the homeowner defaults on the first mortgage and foreclosure proceedings are initiated. However, the affordability restrictions are revived if during the original affordability period, the owner retains ownership of the property.

The amount of development subsidy required to produce the unit in excess of the fair market value is not subject to recapture. If the HOME subsidy is only used for the development subsidy in excess of the fair market value, the Option Two, the resale option, must be used.

Whether Option One or Two is used -- after the required affordability period based on the amount of HOME assistance ends -- the property may be sold at any price to any new homebuyer, without any consideration of the purchaser's income.

FORMS OF SUBSIDY. HOME funds may be used for down payment and closing cost assistance, interest subsidies, direct loans, or grants for acquisition, rehabilitation of existing units and/or construction of new units. The program may use one or more of the above forms of subsidy.

If the HOME funded subsidy is:

- down payment and/or closing cost assistance, it must be in the form of a secured debt, such as a deferred loan to help enforce the principal residency and resale provisions;

- an interest subsidy paid directly to the first mortgage lender in order to reduce the interest rate on the loan, there must be a provision that a proportionate refund will be provided to the State or its state recipient or sub-recipient if the private loan is prepaid before the loan maturity date;

VIII. TENANT-BASED RENTAL ASSISTANCE PROGRAM (TBRA)

The Department of Local Affairs, Division of Housing, will accept applications for operating a tenant-based rental assistance program from a public housing authority or any other entity with the capacity to operate a rental assistance program within their community or region. TBRA is considered to be an essential part of our approved housing strategy for 2004. Each TBRA application will be judged by its impact on addressing a community's affordable housing needs, but specific consideration will be given to weighing the TBRA method of assistance with less costly housing alternatives.

Applications will be evaluated based on the following factors:

- \$ The immediacy of the need for TBRA. Displacement caused by natural disaster, job loss, domestic violence, or other emergency family situations.
- \$ Program responds to local market conditions
(In 2003-2004, there is a glut of units, but they are not affordable to renters without assistance).
- \$ A strategy for developing additional permanent rental housing supply.
- \$ A minimum financial contribution by the tenants.
- \$ The projected rents are consistent with local market conditions.

Program design factors:

- must specify the local market conditions that led to the choice of this option;
- may select families in accordance with written tenant selection policies and criteria that are consistent with the purposes of providing housing to extremely low, low or moderate income families and are reasonably related to preference rules established under section 6(c)(4)(A) of the Housing Act of 1937.
- may select eligible families currently residing in units that are designated for rehabilitation or acquisition with HOME funds without requiring that the family meet the written tenant selection policies and criteria. Families so selected may use the tenant-based assistance in the rehabilitated or acquired unit or in other qualified housing. These families must be required to use the tenant-based assistance within Colorado.

- may select eligible families currently residing in rental units that are designated for rehabilitation using HOME program funds without requiring that the family be placed on the PHA's Section 8 waiting list;
- specify if the contract for assistance will be paid to the landlord or directly to the assisted family;
- specify the length of time the assistance will be provided. The term of assistance may not exceed 24 months but may contain the option to be renewed, subject to the availability of additional HOME funds and the required HOME match of twenty-five percent (25%) non-federal monies.
- may use HOME funds to provide loans or grants to eligible extremely low, low, or moderate income families for security deposits as delineated in 24 CFR 92.210.
- certify that in operating the program they will adhere to additional requirements as delineated in 24 CFR 92.211;
- certify that the tenant will not pay more than thirty percent (30%) of his/her adjusted income for rent;
- certify that the rent of the unit is reasonable as compared to rent charged for comparable unassisted units in the same area;
- certify that housing occupied by a family receiving tenant-based assistance under the HOME program must meet Section 8 Housing Quality Standards; and,
- certify that the amount of monthly assistance may not exceed the difference between 30% of the tenant's adjusted monthly income and the Section 8 Existing Fair Market Rent for the area, after adjustments for bedroom size.
- No project-based subsidy.

IX. AFFIRMATIVE MARKETING PROCEDURES AND REQUIREMENTS

The Department of Local Affairs, Division of Housing, will adopt the affirmative marketing procedures outlined below for HOME-assisted housing containing five (5) or more housing units and will require adoption by all grantees of affirmative marketing plans specific to local conditions. The procedures may include:

- methods for informing the public, owners and potential tenants about Federal Fair Housing laws and the grantee's affirmative marketing policy. Suggested methods may include use of the Equal Housing Opportunity logotype or slogan in press releases and in solicitations for owners, distribution of the policy to media and interested public groups, and written communications to

fair housing and other groups. Another method would be the display of the fair housing poster.

- requirements and practices each owner will utilize in carrying out the affirmative marketing policy. Grantees may require owners to advertise vacant units in newspapers of general circulation and minority media if available, to display the Equal Housing Opportunity logo or fair housing poster in rental offices, and/or to notify the PHA of vacant units.
- procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach. Special outreach may be undertaken, at the grantee's option, by individual owners or by the grantee on behalf of all owners. Special outreach may be accomplished through the following methods:
- newspaper announcements in general circulation newspapers and/or ethnic, neighborhood, community, or school newspapers;
- announcements in church or school bulletins, posters, or oral presentations to community organizations; and,
- posters publicizing the program placed in grocery stores, job center sites, community centers, churches, schools, or other places where potential tenants may visit.

Each unit of general local government that subgrants the administration of this program must adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of 24 CFR 92.351.

The grantee must maintain a file that contains copies of all marketing efforts and the records necessary to assess the results of these actions. This file will be inspected by the Division of Housing staff to evaluate the marketing efforts. The file should contain copies of newspaper ads, memos of phone calls, copies of letters and any other pertinent information.

The Division of Housing will monitor, at least annually, the compliance efforts made by its grantees and owners through review and approval of the affirmative marketing plans; comparison of predetermined occupancy goals to actual occupancy data that the owner will be required to maintain; and, review of outreach efforts on the part of the grantee and/or owners.

If the grantee and/or owner fail to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other actions the Division of Housing may deem necessary.

X. MINORITY AND WOMEN BUSINESS OUTREACH PROGRAM

In accordance with Section 281 of the HOME Investment Partnership Act and 24 CFR 92.350, the Department of Local Affairs, Division of Housing, will prescribe procedures acceptable to HUD to establish and oversee a minority outreach program. The program shall include minority and women-

owned businesses in all contracting activities entered into by the state to facilitate the provision of affordable housing authorized under this Act or any other Federal housing law applicable to the state.

The Department of Local Affairs, Division of Housing will encourage the use of women and minority owned businesses in bids for the various programs throughout the state under the Colorado HOME program through coordination with the Governor's Minority Business Office established in 1989.

The outreach program, at a minimum, will consist of the following:

- development of a systematic method for identifying and maintaining an inventory of certified minority and women's business enterprises (MBEs and WBEs), their capabilities, services, supplies and/or products;
- usage of the local media, electronic and print, to market and promote contract and business opportunities for MBEs and WBEs;
- development of informational and documentary materials (fact sheets, program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs;
- development of solicitation and procurement procedures that facilitate opportunities for MBEs and WBEs to participate as vendors and suppliers of goods and services;
- sponsorship of business opportunity-related meetings, conferences, seminars, etc., with minority and women business organizations; and,
- all grantees and subrecipients will be required to maintain statistical data on the use and participation of minority and women business enterprises as contractor/subcontractors in HOME assisted program contracting activities. Owners will be required to identify projects that were bid by minority and women owned entities and the number of minorities or women hired as a result of activities undertaken using HOME funds.

HOME MATCHING REQUIREMENTS

The Division of Housing provides HUD with HOME match using State Energy Impact Grants and Loans funds spent on HOME eligible activities, local funding used in HOME projects, foundation funds used in HOME projects, and other HOME eligible match sources.

EMERGENCY SHELTER GRANT PROGRAM

I. PROGRAM DESCRIPTION

GOAL. The goal of the Colorado Emergency Shelter Grants Program is to assist homeless persons by providing better facilities, a complete continuum of supportive services at emergency shelters/transitional housing programs and to assist potentially homeless persons by providing expanded prevention programs.

PROGRAM OBJECTIVES

- < To support the operating costs of emergency shelters.
- < To assist in the prevention of homelessness.
- < To assist in improving the quality and range of services necessary for a complete continuum of care that encourages self-sufficiency for the homeless.
- < To increase the availability of emergency shelter and transitional housing programs.
- < To include homeless families and individuals to the maximum practicable extent in maintaining, renovating, operating, and constructing homeless facilities.

PROGRAM STRATEGIES. The Colorado Division of Housing will employ four strategies in the 2004 Federal Fiscal Year in its allocation of \$800,800 in ESG funds, plus the pass through amounts from Adams County (\$77,000) and the City of Aurora (\$104,000). HUD has identified as a national priority the elimination of chronic homelessness. Colorado is taking serious aim at this target. Given the limited funding available, DOH intends to supplement with CDBG funds (2004 only), the homeless grant needs in *nonentitlement* areas, allowing us to expand homeless efforts in *entitlements*. Priority will be given to projects that are consistent with the following strategies.

- < In order to develop a comprehensive approach to the provision of emergency shelter and delivery of services for the homeless, the first program priority is to ensure that applicant agencies are leveraging all resources, including local, state, federal and private funding in the operation of a shelter and/or delivery of related prevention and essential services.
- < The second strategy is to ensure that applicants make a significant contribution to the elimination of homelessness as documented statistically.
- < The third strategy is to encourage programs to use a coordinated, case management approach to service delivery. Programs utilizing strong case management approaches that ensure the delivery of essential services along the continuum of care will receive priority consideration for funding.
- < The fourth strategy is to encourage homeless prevention through funding of programs that provide well thought out approaches to homelessness prevention.

II. EMERGENCY SHELTER GRANT UTILIZATION

For FY 2004 Colorado Division of Housing will receive an ESG allocation of \$800,800. Adams County and the City of Aurora are new Federal ESG entitlement areas, but due to short notice by HUD these entitlements have indicated their desire to pass through 2004 ESG dollars to DOH for its administration, via memorandum of understanding. DOH will administer funds for Adams County, in the amount of \$77,000, and for the City of Aurora in the amount of \$104,000.

III. ELIGIBILITY

Units of local government or nonprofit organizations within the State of Colorado are eligible to apply for Emergency Shelter Grant funding. Local governments may apply for assistance on behalf of nonprofit organizations or may deliver services directly. The State may distribute Emergency Shelter Grant funds directly to private nonprofit organizations.

If a nonprofit agency applies directly to the State for ESG funds, it is a federal requirement that they submit with their application a letter certifying approval of the application by the relevant unit of local government. In determining the relevant unit of local government for this certification, the local agency needs to determine its primary service area. If the primary service area is a town or city, the agency should seek approval of the town or city government. Programs whose primary service area is county wide or covers multiple towns and unincorporated areas, should ask approval of county governments. As a condition of grant award, applicants and grantees will be required to complete the appropriate Emergency Shelter Grants Program Certifications, have proof of Internal Revenue Service (I.R.S.) 501(c) status, and submit current I.R.S. W-9 Federal tax identification forms.

Local certifications include:

- < Emergency Shelter Grant Program Assurances and Certifications;
- < Certification of Local Approval for Nonprofit organizations;
- < Certification of Exemption from requirements of the National Environmental Protection Act (See Environmental Review Section IX.), and;
- < Certification of Consistency with the appropriate approved Consolidated Plan.

NOTE: The following entities have Consolidated Plans: Adams County; Arapahoe County; City of Arvada; City of Aurora; City of Boulder; City of Centennial; City of Colorado Springs; City and County of Denver; Douglas County; City of Fort Collins; City of Greeley; City of Grand Junction. Jefferson County; City of Lakewood; City of Longmont; City of Loveland; City and County of Pueblo; and the City of Westminster. ESG applicants from these areas should obtain Certifications of Consistency with Consolidated Plan from these local governments. The Colorado Division of Housing will provide Certifications of Consistency with the Consolidated Plan for ESG applicants located throughout the balance of the state.

State Certifications include:

- < Emergency Shelter Grant Assurances and Certifications Program;
- < Prohibition of the use of federal funds for lobbying certification;
- < Certification of consistency with the 2000 Colorado Consolidated Plan.

IV. ELIGIBLE ACTIVITIES

The activities listed below are eligible for funding under the Emergency Shelter Grant Program.

- < Payment for costs of operation and maintenance which include such items as insurance, utilities, operating staff, and furnishings;
- < Essential services;
- < Homeless prevention services;
- < Grant administration (for local governments or subdivisions thereof).

V. ALLOCATION AND SELECTION CRITERIA

For rural areas (non-metropolitan Denver), the State will mail or email ESG application kits to previously funded local governments and eligible nonprofit organizations, and upon request, we will mail application kits to other rural homeless providers for funding consideration. For 2004, DOH plans to fund most rural area homeless services with CDBG dollars rather than ESG dollars, utilizing the standard ESG application as the basis for analysis of the criteria listed below. DOH will then determine which rural providers will receive ESG funding and which will receive CDBG funding. ESG dollars freed up in rural areas will then be available to fund additional projects in the metropolitan Denver area (Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson Counties).

For the Metro Denver area in 2004, the Division will solicit proposals and utilize a committee to assist in selection of ESG projects and awards using the selection criteria listed below (Criteria is the same for rural and Denver Metro areas).

Applicants in all areas will be required to prioritize the activities for which they will be requesting funding. Program applicants are encouraged to develop programs that address supportive service needs and homelessness prevention in addition to covering basic operating expenses. An internal analysis will occur to determine how well proposed projects meet evaluation criteria.

The evaluation criteria, in order of priority, will include the following:

- 1) The extent and urgency of the identified homeless needs;
- 2) The level of funding support for the applicant (Agency has sufficient funds to address the needs);
- 3) Leverage of resources (local, state, federal and charitable investment in the organization);
- 4) The capacity of the local government and/or nonprofit organizations to carry out the project(s). For existing subgrantees, we will take into account monitoring issues and timeliness of reports (compliance);
- 5) The anticipated project impact upon the identified needs;
- 6) Proximity to other homeless provider agencies (non-duplication);
- 7) The commitment to provide coordinated essential services and homelessness prevention activities within the applicant organization and in cooperation with other local nonprofit and

governmental service providers (e.g. case management, centralized intake, a voucher system to assure payment for services provided by outside organizations);

- 8) The location of the service organization (Geographic distribution);
- 9) Capacity to comply with HUD's requirement that client level information be entered into a Homeless Management Information System;
- 10) The availability of other sources of funding for rehabilitation and emergency repair.

Program requirements will be the same for CDBG-funded projects and ESG-funded projects, and the funding cycles will also be the same. All applicants should show at least a dollar-for-dollar, or 1:1 match for ESG funds requested. The state will adjust contractual matching requirements based on the need of the subgrantee up to the \$100,000 federal statewide match waiver.

To comply with federal program rules, the state will ensure that not more than 30% of the aggregate amount of all ESG funds received by Division of Housing will be used for homeless prevention. The State will further ensure that not more than 30% of the aggregate amount of all ESG funds received will be used for essential services. Finally, the State will ensure that not more than 10% of the aggregate amount of all ESG funds received will be used for operating staff costs. In each of these cases, the State may vary the percentage of homeless prevention, essential services, and operating staff amounts it distributes to individual State recipients, respectively.

VI. REALLOCATION

Any local government or nonprofit organization that fails to enter into a contract within sixty (60) days from the date of the award notice will subject their award to recapture and reallocation. Additionally, any local government or nonprofit organization that fails to request reimbursement for eligible activities within sixty (60) days from the contract execution date will subject their funds to recapture and reallocation.

VII. MONITORING AND REPORTING

Each local government or nonprofit agency receiving grant funds will be required to submit to the State a quarterly report covering accomplishments and expenditures. The quarterly reports will be due 20 calendar days after the end of each quarter throughout the grant year. The State will perform grantee monitoring and provide required reports to HUD.

VIII. ENVIRONMENTAL REVIEW

Colorado will assume the federal responsibility for assessing the environmental effects of the proposed Emergency Shelter Grant activities in accordance with 104(g) of the Housing and Community Development Act of 1974, the procedural provisions of the National Environmental Protection Act (NEA), and the regulations contained in 24 CFR Part 58. Unless the project involves rehabilitation, conversion, or major repairs, repairs with costs greater than \$500, project activities are exempt from the requirements of the National Environmental Protection Act.

IX. PROJECTED EMERGENCY SHELTER GRANT TIME TABLE SCHEDULE (SUBJECT TO CHANGE)

Feb 1, 2004	ESG Notice of Funding Availability published or application request letters mailed
March 1, 2004	ESG application deadline
May 15, 2004	ESG Awards made
July 1, 2004	Effective starting date of FY 2004 funding

HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS (HOPWA) FORMULA PROGRAM

I. PROGRAM DESCRIPTION

In 2004, the Colorado Division of Housing will receive approximately \$350,000 in HOPWA entitlement funding from HUD. The Division will work with a consortium of four Colorado Aids Project (CAP) agencies to distribute assistance for persons living with HIV/AIDS. These funds may be used to acquire housing units within the entitlement area, to provide tenant-based rental assistance, emergency assistance, and/or to provide housing coordination services and supportive services to persons living with HIV/AIDS and their families.

II. PROGRAM SERVICES

HOPWA funding will be used to assist clients in accessing housing and related supportive services. At least one small project is anticipated to acquire two to three housing units for HIV/AIDS clients. Funds will be used to enable low-income persons living with HIV and their families in Colorado to achieve housing stability and access to health-care and related supportive services.

III. FUNDING ALLOCATIONS

In determining distribution of the \$350,000 allocated to the State of Colorado for federal fiscal year 2004, the Division of Housing is working with a consortium of four Colorado Aids Project (CAP) agencies to assess the required levels of funding for rental and emergency assistance and supportive services across CAP regions based on current trends and historic need. We will utilize recommendations from this consortium in making awards. Applicants will be HOPWA-eligible organizations or projects. The Division of Housing will also utilize a small amount of funding for administrative costs.

IV. PROGRAM OVERSIGHT

The Division of Housing will have oversight of the grant. All spending caps on administration of this grant will be observed.

“SMALL CITIES” COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS

I. FOREWORD

The State of Colorado, through the Governor's Office of Economic Development and International Trade (OED), and the Department of Local Affairs, will administer the "Small Cities" Community Development Block Grant (CDBG) program for non-entitlement jurisdictions of the State for Federal Fiscal Year 2004.

Local-State discussions of state administration of the CDBG program began in 1981 and resulted in the State opting to assume the responsibility for administration of the program starting in federal Fiscal Year 1983. These discussions have continued each year and have consisted of a direct consultation process with local governments and the public, including at least one public hearing each year, and deliberations with advisory groups. The State CDBG program, as presented in this document, represents the collective effort of all the individuals, local governments and organizations that have participated in its development. While unanimity may not have been achieved on all issues, constructive compromises and agreements were generally realized. The time and effort committed by all who have participated in the development and refinement of the program is greatly appreciated.

The Governor's Office of Economic Development and International Trade is responsible for all projects involving the use of CDBG funds to provide financing for private for-profit businesses, with one exception. The exception is the case in which the financing for a private, for-profit business is for the rehabilitation of non-residential properties when such properties are integral parts of local government sanctioned and planned community redevelopment efforts or when such properties are of key historic or commercial importance to a community or neighborhood. The Department of Local Affairs is responsible for this type of rehabilitation and for all other eligible CDBG project activities, including housing, public facilities and community development. The Department's Division of Housing has "lead" responsibility for housing and homeless assistance projects funded through the program. The Field Services section of the Department's Division of Local Government and Field Services is responsible for CDBG-assisted public facilities and community development projects. The Department's Division of Local Government and Field Services is responsible for overall coordination of the State's CDBG program. Appropriate State staff can be reached at the following numbers:

Governor's Office of Economic Development (Denver)	(303) 892-3840
Department of Local Affairs – TDD	(303) 866-5300
Division of Housing (Central Number)	(303) 866-2033
Field Offices – Denver	
Andy Proctor	(303) 866-4650
Lynn Shine	(303) 866-2046
Ann Watts	(303) 866-4652
Pueblo	(719) 544-2466
Grand Junction	(970) 248-7302
Division of Field Services (Central Number)	(303) 866-2771
Field Offices – Golden	(303) 273-1787
Durango	(970) 247-7311
Sterling	(970) 522-2672
Kent Gumina	

Grand Junction	Tim Sarmo	(970) 248-7310
Loveland	Don Sandoval	(970) 679-4501
Pueblo	Lee Merkel	(719) 544-6577
Monte Vista	Deb Downs	(719) 582-9429
Frisco	Cathy Shipley	(970) 668-6160

II. INTRODUCTION

The federal Community Development Block Grant (CDBG) program was established by the Housing and Community Development Act of 1974. The program is designed to help communities meet their greatest community development and redevelopment needs, with particular emphasis on assisting persons of low and moderate income. The overall program consists of two major elements:

- The "entitlement" program. This portion of the overall program is administered by the U.S. Department of Housing and Urban Development (HUD) and provides assistance to those communities that are "entitled" to CDBG funds by virtue of their size or metropolitan area status. Essentially, entitlement communities are those cities which are within a metropolitan area and which have a population of 50,000 or more or are designated as a "central city," and those counties which are within a metropolitan area and which have a combined population of 200,000 or more in their unincorporated areas and non-entitlement municipalities. There are currently 16 entitlement jurisdictions in Colorado: Adams County (unincorporated areas and Bennett, Broomfield, Brighton, Federal Heights, Northglenn and Thornton), Arapahoe County (unincorporated areas and Deer Trail, Englewood, Glendale, Greenwood Village, Littleton, and Sheridan), Douglas County, and Jefferson County (unincorporated areas and Arvada, Edgewater, Golden, Mountain View, and Wheat Ridge), Aurora, Boulder, Colorado Springs, Denver, Fort Collins, Grand Junction, Greeley, Lakewood, Longmont, Loveland, Pueblo and Westminster.
- The "non-entitlement," or so-called "Small Cities," program. This portion of the overall program provides assistance to those communities who do not qualify for the entitlement program. The State assumed responsibility for administration of this portion of the CDBG program starting in federal Fiscal Year 1983.

Review and Comment by Local Governments and Citizens

The State's annual Performance and Evaluation Reports provide a basis for review and comment on the performance of the State. Pursuant to the State open records law and the federal CDBG law, records on use of any prior year and future Small Cities CDBG funds by the State or a local government or recipient must be available for access by citizens and units of general local government. The State's records are available through the Department of Local Affairs, 1313 Sherman Street, Room 521, Denver, Colorado. These records may be examined in the State's offices and copies may be obtained for a fee during regular working hours.

The State will provide to citizens and to units of general local government reasonable notice of, and an opportunity to comment on, any proposed substantial changes in these Program Guidelines or in the use of CDBG funds.

Compliance With Federal and State Requirements

These Program Guidelines and grantee guidance have been developed to comply with all existing federal requirements. When revised federal regulations for the state-administered "Small Cities" program are published for effect, those new regulations and any subsequent changes in the law, regulations or policy will govern in the event of any inconsistencies with these Program Guidelines.

The program design also takes into account that, in administering the program, the State and local applicants and grantees must assume responsibility for assuring compliance with many federal and State laws and regulations that apply to the CDBG program. A brief description of some of the applicable federal requirements is included in Section VIII.

III. GOAL AND OBJECTIVES

Goal. Colorado's goal in administering the CDBG program is to establish a program that is responsive to local community development needs, strategies and priorities, and that produces a measurable improvement in the communities served by the program.

Primary Objective. The primary objective of the State's program is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than seventy percent (70%) of federal Fiscal Years 2003, 2004, and 2005 funds and State program income will be used for project activities that benefit persons of low and moderate income.

Broad Objectives. The federal Housing and Community Development Act of 1974 establishes three broad national objectives for the CDBG program:

- Benefit persons of low and moderate income;
- Prevent or eliminate slums or blight; and
- Address other urgent needs.

The primary objective of the State's program will be achieved through a program that gives maximum feasible priority to funding activities that benefit persons of low and moderate income or aid in the prevention or elimination of slums or blight. Funding may also be provided for activities which grantees certify meet other community development needs that have arisen during the preceding 18-month period and have a particular urgency.

Additionally, it is the intent of the State and of Congress that CDBG funds not be used to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of CDBG assistance.

Benefit to Persons of Low and Moderate Income

Except as otherwise specified in federal law and regulations, a local project activity will be determined to address the broad national objective of "benefit to persons of low and moderate income" if not less than fifty-one percent (51%) of the beneficiaries of the CDBG-funded project activity are low and moderate income persons.

Low and moderate-income persons are defined as those persons who are members of households whose annual incomes do not exceed HUD-prescribed income limits, which are based on eighty percent (80%) of median family income. Two sets of income limits are contained in the appendices of these Program Guidelines. Depending on the nature of the specific local project activities and on the specific techniques to be used, CDBG grantees are required to use one or the other of the two sets of income limits.

- Contained in Section IX are income limits stated in current (2002) dollars. CDBG grantees and applicants whose projects involve the individual selection and qualification of beneficiaries based on their current incomes (as is the case in housing rehabilitation, job creation and other "direct benefit" projects) must use these income limits in determining whether beneficiaries are low and moderate income persons. CDBG grantees and applicants undertaking "area-wide benefit" projects and using State-approved surveys to obtain information on the current incomes of project beneficiaries must use these income limits to estimate the low and moderate income benefit of project activities to low and moderate income persons.
- HUD has provided the State data on the number and percentage of low and moderate income persons in all municipalities, counties, enumeration districts, census tracts and block groups for "area-wide benefit" projects. These data are available from the State on request.

Prevention or Elimination of Slums or Blight

Contained in Section X are the requirements that must be met in determining that a project activity meets the broad national objective of "prevention or elimination of slums or blight." For the purpose of determining whether a local project activity addresses this broad national objective, the definition of "slum" is the definition of "slum area" contained in 31-25-103 C.R.S., as amended, and, similarly, the definition of "blight" is the definition of "blighted area" contained in 31-25-103, C.R.S., as amended.

Address Other Urgent Needs

To comply with the national objective of meeting community development needs having a particular urgency, an activity will be considered to address this objective if the applicant certifies that conditions exist which:

- pose a serious and immediate threat to the health or welfare of the community,
- are of recent origin or recently became urgent,
- the grantee is unable to finance on its own; and
- other resources of funds are not available.

A condition will be considered to be of recent origin if it developed or became critical within 18 months preceding the grantee's certification.

IV. ELIGIBLE ACTIVITIES AND RECIPIENTS

Eligible Activities. Eligible activities and services under the State CDBG program are those which:

- are consistent with the program goal and objectives stated above; and
- are included as eligible activities under Section 105 of Title I of the Housing and Community Development Act of 1974, as amended, and are otherwise eligible under other sections of Title I and under detailed federal regulations. Excerpts from Section 105 and other sections of the federal CDBG law relevant to activity eligibility are presented in the Eligible Activities Section.

Activities which involve involuntary, permanent displacement of persons are not ineligible; however, it is a federal requirement that local plans and policies be established to minimize involuntary, permanent displacement; replace low/moderate-income dwelling units demolished or converted to another use as a direct result of CDBG assistance; and assist persons actually displaced as a result of CDBG-assisted activities.

The State has certified to HUD that it will not refuse to distribute the CDBG funds to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs, except that this does not prevent the State from establishing priorities in distributing the CDBG funds on the basis of the activities selected.

Eligible Recipients. Eligible recipients are those municipalities and counties not eligible for federal "entitlement" CDBG funds; that is, eligible recipients are all municipalities and counties except: Adams County (unincorporated areas and Bennett, Broomfield, Brighton, Federal Heights, Northglenn and Thornton), Arapahoe County (unincorporated areas and Deer Trail, Englewood, Glendale, Greenwood Village, Littleton, and Sheridan), Douglas County, Jefferson County (unincorporated areas and Arvada, Edgewater, Golden, Lakewood, Mountain View, and Wheat Ridge), Aurora, Boulder, Colorado Springs, Denver, Fort Collins, Grand Junction, Greeley, Lakewood, Longmont, Loveland, Pueblo and Westminster.

The State encourages arrangements between and among eligible entities that will ensure adequate provision of common or related community development activities and services. Also, municipalities and counties may contract with other entities or parties (Councils of Governments, Regional Planning Districts, Special Districts, Local Development Corporations, Downtown Development Authorities, Urban Renewal Authorities, Housing Authorities, non-profit corporations, etc.) to carry out project activities as provided for under statutes (including 31-51-101 (1) (c), 30-11-101 (1) (d), 29-1-203 and 29- 1-204.5, C.R.S., as amended), ordinances and resolutions, and State and local financial management procedures.

Multi-Jurisdictional Projects

A "multi-jurisdictional" project is one in which two or more municipalities and/or counties carry out an activity or set of closely-connected activities that address an identified common problem or need. The following specific requirements must be met in multi-jurisdictional projects:

- One of the participating municipalities or counties must be authorized by the other participating municipalities or counties to act in a representative capacity for all of the participants. This designated entity must assume overall responsibility for ensuring the entire project is carried out in accordance with all program requirements. The overall responsibility and any related individual responsibilities must be specified in a legally binding cooperation agreement between the designated entity and all other directly participating municipalities and counties.
- To meet the citizen participation requirements of Section 104(a)(2) of the Housing and Community Development Act of 1974 ("the Act"), as amended, all the requirements listed in paragraph 2 of "Grantee Responsibilities" must be met, including the requirements that:
 - < Each participating jurisdiction must hold a public hearing; and
 - < The proposed and final project plan/application for the combination of project participants must be made available in each of the participating jurisdictions.
- To meet the citizen participation requirements of Section 104(a)(3) of the Act, each participating jurisdiction must have and follow a detailed citizen participation plan which addresses the six areas of concern specified in paragraph 3 of "Grantee Responsibilities".
- To meet the requirements of Section 106(d)(2)(D) of the Act, each participating jurisdiction must identify its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs. (See paragraph 4 of "Grantee Responsibilities".)
- To meet the requirements of Section 104(d) of the Act, each participating jurisdiction must have and follow a Residential anti-displacement and relocation assistance plan. (See paragraph 5 of "Grantee Responsibilities".)
- To meet the requirements of Section 106(d)(5) of the Act, each participating jurisdiction must make and comply with the displacement, fair housing and other certifications described in paragraphs 6, 7, and 8 of "Grantee Responsibilities".)

V. METHOD OF FUNDS DISTRIBUTION

It is anticipated that the State will receive a total allocation of at least its 2003 funding level of **\$12,782,000** (we do know that the number will be affected by the implementation of the 2000 Census data.) Regardless of the total funding, the method of distribution will remain the same. For FFY 04, from the awarded amount, two percent plus \$100,000 will be available to the State for program administration, and one percent for technical assistance. The remaining balance will be divided in thirds

and be available for economic development, public facility and housing projects. Any unobligated prior years funds, for local projects will also be available for commitment to local projects, as well as any committed funds which may be subsequently recovered by the State and any additional funds which may be awarded to the State by HUD, less the State administration allowance.

Program income (i.e., amounts earned by the recipient or its subrecipient, if not a qualifying nonprofit, that are generated from the use of CDBG funds) paid to the State, less the State administration allowance, will be directly available for commitment to local projects or will be set aside by the State in a revolving loan fund for commitment to local projects which generate program income. Local recipients will be allowed to retain program income if it can be demonstrated to the satisfaction of the State that the program income is to continue to be used to finance projects of the same type and that there is adequate capacity to administer the funds. The state will determine when an activity is considered to be continued. The state will use up to two percent (2%) of locally retained program income for state program administration expenses. Any available funds that are not committed, including funds set aside from program income payments, will be carried forward for commitment during a subsequent period.

In FFY 2004, the state will use up to one percent (1%) of the amount of the amount available to the state for technical assistance to local governments and nonprofit program recipients.

Not less than seventy percent (70%) of funds received by the State during the period of FFYs 2003, 2004 and 2005 will be used for project activities that benefit low and moderate income persons.

Interim/Short-Term Financing Grant Program

Significant portions of the CDBG funds allocated to the State will remain unused for relatively long periods, even after these funds are committed by the State to eligible recipients for local projects. In order to maximize the use of these funds, which are available to the State under letters of credit from HUD, the State may choose to use these funds to provide grants to eligible recipients for interim or short-term financing of eligible economic development, housing and public facilities project activities which are consistent with the federal and State program goals and objectives. Program income or other funds paid to the State under the Interim/Short-Term Financing Grant Program will be used by the State to meet its other grant commitments to recipients. A recipient will be allowed to retain program income if it can be demonstrated to the satisfaction of the State that the program income is likely to be needed to finance projects of the same type and that there is adequate capacity to administer the funds.

Because the availability of funds for subsequent use depends on the payment of these funds from the initial user, there is some risk to subsequent users. This risk will be minimized through the use of irrevocable and unconditional letters of credit (to be required by recipients of borrowers, so that letter of credit proceeds will be available to the State through recipients) and/or other appropriate measures.

In reviewing proposals under the Interim/Short-Term Financing Grant Program, the State will consider:

- The proposed direct benefit of the proposed project activities to low and moderate income persons.

- The nature and extent of the effect of interim/short-term financing on project cost, feasibility and benefit, including the consequences of not providing a grant for the interim/short-term financing.
- The likelihood that program income or other funds will be available to the State in the amount and at the time proposed by the recipient so that the State will be able to meet its other grant commitments to recipients.
- In the event the interim/short-term assistance is to be provided to a private, for-profit entity to carry out an economic development project, whether the assistance is "necessary or appropriate" (as required by federal statute, regulation and policy).

Regular Grant Program Funding

The following amount of funds were set aside for the three major categories of projects and activities for the regular FFY 2003 grant program. It is anticipated that FFY 2004 funds will be approximately the same:

	Program Income	FFY03
Business financing (through OED)	\$50,000	\$ 4,099,513
Housing (through Local Affairs)		\$ 4,099,514
Public facilities/community development (through Local Affairs)		<u>\$ 4,099,514</u>
	<u>\$50,000</u>	\$12,298,539

More or less than these amounts for each project category may actually be awarded, depending on the relative quality of proposals received and on State and local priorities.

The state will provide information, upon request, for those communities interested in applying for guaranteed loans funds under Subpart M, the Section 108 Loan Guarantee program as well as give consideration to funding multi-year and/or multi-purpose applications.

Maximum and Minimum Grant Amounts

There are no absolute limits to the amount of funding an applicant may request. It is suggested for public facility/community development projects that \$300,000 be considered the maximum grant guideline. There is no suggested maximum for housing projects. There is no maximum limit for economic development projects. Suggested guidelines vary based on the use of funds.

Review Process for Housing, Public Facilities, and Community Development Proposals

Public facilities and community development proposals may be considered by the Department of Local Affairs periodically, on a continuous basis, during specified application periods or in conjunction with funding cycles established by the Department. Local government associations and regional organizations providing technical assistance to local governments will be advised of application opportunities. The Department may end or defer consideration of public facilities/community development proposals when funds available have been exhausted and when proposals are incomplete or premature.

The term "community development proposals" includes such projects as public improvements in downtown or other commercial areas, public and private non-profit tourist facilities and attractions, public and private non-profit business incubators, and rehabilitation of publicly and privately owned non-residential properties when such properties are integral parts of local government sanctioned and planned community redevelopment efforts, or when such properties are of key historic or commercial importance to a community or neighborhood.

Housing proposals will continue to be received and considered on a continuous basis by the Division of Housing using the same system outlined in the HOME program narrative. The Department may end or defer consideration of housing proposals when funds available have been exhausted and when proposals are incomplete or premature.

Given the fact that HUD has targeted Chronic Homelessness, but has not provided additional funding, the Department of Local Affairs, Division of Housing will take aim at this target with CDBG funding. Given the limited Emergency Shelter funding available, DOH intends to increase the funding targeted to homelessness utilizing CDBG funds in *non-entitlement* areas, allowing us to expand ESG homeless efforts in *entitlements*. Priority will be given to projects that are consistent with the following strategies.

- < In order to develop a comprehensive approach to the provision of emergency shelter and delivery of services for the homeless, the first program priority is to ensure that applicant agencies are leveraging all resources, including local, state, federal and private funding in the operation of a shelter and/or deliver of related prevention and essential services.
- < The second strategy is to ensure that applicants make a significant contribution to the elimination of homelessness as documented statistically.
- < The third strategy is to encourage programs to use a coordinated, case management approach to service delivery. Programs utilizing strong case management approaches that ensure the delivery of essential services along the continuum of care will receive priority consideration for funding.
- < The fourth strategy is to encourage homeless prevention through funding of programs that provide well thought out approaches to homelessness prevention.

Applicants for public facilities and community development projects (including all participants in multi-jurisdictional projects) are expected to prioritize all applications to the Department for CDBG funds. When submitted, housing, public facilities and community development proposals will be evaluated by Department staff on the following three major factors:

- Project Impact
- Public and Private Commitments
- Management Capability

The results of the staff review will be forwarded to the Executive Director of the Department of Local Affairs, who may consult with the State Housing Board or other advisory groups on the proposal. The consultation may be by telephone or mail, or may involve a meeting or hearing. Proposals for the continuation of existing housing rehabilitation/replacement projects will not be reviewed individually by an advisory body as long as acceptable performance is maintained, including performance in obtaining commitments of local cash and other public and private funds for their projects.

The Department Executive Director will consider staff reviews and any advisory committee recommendations and make the final funding decisions based on the project review factors.

In making funding decisions as well as decisions on proposed modifications to funded projects, the Department Executive Director may specify alternatives or changes as he deems necessary or appropriate, consistent with the project review factors. Alternatives and changes specified may include, but are not necessarily limited to: providing more or less funding than requested, proposed or recommended; adjusting project budget line items; providing funds for only selected activities within an overall project; making a single award to two or more separate applicants so that projects can be undertaken on a multi-jurisdictional basis; changing terms, uses and conditions; and permitting projects to be amended to include additional, fewer or different project activities.

Review Process for Business Development Proposals for Private Businesses

Business development proposals involving the provision of financing for private for-profit and non-profit businesses (except for any financing to be provided by the Department of Local Affairs for "community development proposals," as previously described) will be received and considered on a continuous basis by the Governor's Office of Economic Development and International Trade (OED). Such proposals typically include those that would provide funding through sub-recipients, local or regional revolving loan funds and those that would provide funding for infrastructure directly through a community.

The OED may end or defer consideration of business financing proposals when funds available for award for such projects have been exhausted and when applications are incomplete or premature. Proposals will be evaluated by staff using the same three major factors as noted above for housing, public facilities, and community development proposals. The Financial Review Committee will review the economic development proposals and make final funding decisions.

Review Factors for All Public Facilities and Economic Development Proposals

The following are the factors that will be used by staff in evaluating proposals. Under the various factors are listed many of the general and specific questions that may be asked, as appropriate, by staff in reviewing proposals and determining ratings.

1. Project Impact. The purpose of consideration of this factor is to determine the extent to which the community, particularly its low and moderate income residents, will benefit from the proposed project.

a. Benefit to Low and Moderate Income Persons

For all projects, on an activity-by-activity and on a project-wide basis:

- What amount(s) of CDBG and non-CDBG funds will directly benefit low and moderate-income persons?

- hat percentage(s) of CDBG and non-CDBG funds will directly benefit low and moderate-income persons?
- What number(s) of low and moderate-income persons will directly benefit from CDBG and non-CDBG funds?
- What percentage(s) of all persons directly benefited by CDBG and non-CDBG funds are low and moderate-income persons?
- What local application, hiring, and other procedures will be used to ensure that benefits projected to be provided to low and moderate income persons will actually be realized by such persons?
- How will the actual benefit to low and moderate-income persons be documented?
- Are the jurisdiction's projections or commitments with respect to low and moderate-income benefit realistic and attainable?
- If the proposed project will increase operational costs, what will be the effect on low and moderate-income persons?

b. Extent and Urgency of the Need, and Extent to Which the Need is Addressed in a Timely Fashion

For all projects:

- What is the need to be addressed?
- How serious is the need?
- Is the public health or welfare threatened?
- What actions have previously been taken to remedy the problem?
- What are the results of these past actions?
- Have alternative means of addressing the need been adequately considered?
- What actions are proposed to meet the need?
- Are the proposed actions effective, efficient, appropriate, reasonable, and feasible?
- How does the proposed project differ from past efforts?
- Can the proposed activities be undertaken and completed in a reasonable period of time?

- What additional actions, in addition to the proposed CDBG project, may be necessary to meet the need?
- To what extent is the need met by the proposed project?
- What are the consequences of CDBG funds not being approved for the proposed project activities?
- Is resident and/or business displacement minimized? Are provisions made to assist persons involuntarily, permanently displaced?
- Will the project result in the demolition or conversion of dwelling units for the low-moderate-income persons?
- What measures are proposed to ensure that results to be achieved by the project will be adequately maintained in the future?
- If appropriate, has consideration been given and commitment made to recovering and reusing CDBG and other funds to continue efforts to address the need?

For projects including supportive human services activities (including job training and day care aspects of economic development projects):

- How are such activities critical to the accomplishment of overall objectives?
- Will CDBG funding supplant local, federal or other State assistance available for such activities?
- Is the requested CDBG assistance for such activities sufficient to complete the activities, or must the activities continue in order to achieve overall objectives?
- What percentage of total project costs will be spent on these activities?

For economic development projects:

- How many permanent jobs (both full-time and part-time) will be created and/or retained by the proposed project?
- Are the required factors used to determine that assistance to a private, for-profit entity "appropriate"?
- What types of permanent jobs will be created or retained?
- What effect will the proposed project have on the local tax base?

- Has adequate consideration been given to the relationships between job training needs, resources available, and the proposed project?
- When the proposed project involves public improvements in the central business district, are the proposed improvements being undertaken in designated slums or blighted areas?
- When the proposed project involves industrial sites and/or facilities, is a prospect "in hand"?

For economic development projects that involve grants or revolving loan funds:

- At what point will the full amount of the loan(s) be repaid, if applicable?
- Is the local selection process for grants, loans, and other forms of assistance open and equitable, and address the greatest needs to the extent feasible?

For site acquisition and/or other development projects:

- Does the site meet lender or other site selection standards?
- Are preliminary engineering/architectural designs or plans, specifications and cost estimates or studies completed? When will final plans, specifications and cost estimates be completed?
- Have proper studies been completed which demonstrate that there is a market for the proposed project and that it is financially feasible?

For public facilities projects:

- Is any attempt planned to recover any capital costs of public improvements assisted with CDBG funds?
- If applicable, is the proposed project on the State Water or Sewer Needs Categorization List? (These lists, which categorize needs on the basis of health and safety issues, are used to identify comparative needs of water and sewer project requests.)

c. Consistency with Local Development Strategies and Coordination with Other Activities.

For all projects:

- Are the proposed actions consistent with the required Community Development Plan (which identifies community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet these needs) and with other local development strategies?
- How long has the proposed project been a priority or identified in an approved plan?
- What is the priority for the proposed project relative to other CDBG and Impact requests?

- Does the proposed project comply with, or not contradict, existing local planning regulations, such as zoning ordinances and subdivision regulations?
- How is the proposed project part of and consistent with an overall local capital improvements and maintenance plan and budget?
- If the community is included in an adopted development strategy or comprehensive plan for a larger geographic area, is the proposed project in conformance with, or not in contradiction to, such a strategy or plan?
- How long has the proposed project represented a documented need?
- To what extent does the proposed project complement, supplement or support other local, State or federal projects, programs or plans already in effect or to be implemented?
- Is there duplication of effort or overlap?
- To what extent does the proposed project further other related local projects or plans?
- If the proposed project lends itself to a multi-jurisdictional approach, has such a joint approach been adequately considered?
- When projects involve public improvements in the central business district, are downtown public improvements being undertaken in coordination with, or by a representative local economic development organization?

2. Public and Private Commitments. The purpose of consideration of this factor is to determine the extent of public and private commitments to the proposed project. Both the amount or value of commitments and the viability of commitments will be considered. Communities are strongly encouraged to take primary responsibility for resolving their housing, economic development and public facilities problems. In specific projects this may involve making financial commitments; adjusting development regulations, user rates and fees, and capital construction and maintenance programs; creating improvement districts; establishing development and redevelopment authorities; and generally sharing in or leveraging funds and management for development and redevelopment.

a. Local Financial Commitments.

For all projects:

- To the extent of their abilities, have the local government and project participants and beneficiaries engaged and/or committed to engage generally in taxing efforts to address their own continuing development and maintenance needs?
- To the extent of their abilities, have the local government and local project participants and beneficiaries appropriated/committed funds specifically for the proposed project and/or committed to alter fees to ensure the success of the specific project?

- When the proposed project involves revolving loan funds or loan guarantees, what is the ratio of private and/or local public investment to the amount of CDBG funds requested? How was this determined?
- When the proposed project involves public improvements in the central business district, has the private sector demonstrated a commitment to reinvest (e.g., through formation of an improvement district or through committing to business loans)?
- When a proposed development project requires interim and/or permanent financing, is the needed financing firmly committed? If not, is there a conditional or preliminary commitment, and what is the likelihood that a firm commitment will be made?

b. Local Non-Financial Commitments.

For all projects:

- If necessary, has the community committed to alter local regulations to ensure the success of the project?
- Has the community made good faith efforts to involve residents, including low and moderate income persons and minorities, in assessing community needs and developing strategies to address its needs?
- Have the directly affected parties in the community demonstrated active support for the project?

c. Other Commitments

For all projects:

- Have any grant funds been sought for or committed to the proposed project?
- What are the sources, amounts and availabilities of these grant funds?

3. Management Capability. The purpose of consideration of this factor is to evaluate the ability of the local government submitting the proposal to administer the project as described.

a. Staff and Contractors.

For all projects:

- Does the local government have adequate and experienced programmatic and fiscal staff and contractors, or has the applicant thoroughly considered the types of staff and contractor experience and qualifications necessary to carry out the project, including extensive statutory and regulatory requirements?

- How have the local government and its contractors performed in the past in carrying out development and redevelopment activities, and any type of activity with extensive statutory and regulatory requirements?
- To what extent will local government staff be directly involved in project management?
- What criteria and procedures will be used for selecting contractors?
- Have the roles and responsibilities of project participants been clearly established?

For economic development projects:

- Has the local government established an advisory or decision-making committee knowledgeable in economic development matters including small business support, industrial recruiting, revolving loan funds, etc.?
- Does the jurisdiction have business management experience sufficient to review pro forma, cash flow statements and business plans? If not, how will these tasks be accomplished?

b. Budget. Administrative costs as well as other costs will be compared with those of other similar proposals.

For all projects:

- Are the proposed administration and overall project budgets (including appropriate development and operating budgets in the case of development projects) adequate, reasonable and realistic given the project work plan?

c. Statutory and Regulatory Compliance.

- Does the proposed project involve or result in residential displacement? If so, have all reasonable steps been taken to minimize displacement? Is there a plan to replace all low/moderate income housing demolished or converted, and to assist persons being relocated?
- Does the proposed project involve real property acquisition or relocation of any persons or businesses? Are the Uniform Act requirements triggered? Are cost and time requirements reasonably estimated?
- Have labor wage costs been reasonably estimated? (Especially, has the applicant considered whether the proposed project is subject to Davis-Bacon prevailing wage requirements?)
- Is the proposed project in a floodplain or geological hazard area or does it affect cultural or historic resources? Are there other environmental considerations? If so, what mitigation measures are proposed and what alternatives have been considered?

VI. TECHNICAL ASSISTANCE

The State will continue a coordinated technical assistance program to assist communities in the areas of CDBG project management and project formulation and planning, particularly in coordination with State programs such as impact grants, housing grants and loans, emergency water and sewer grants, and economic dislocation funds. Special project management technical assistance will be targeted to those communities that have never administered a CDBG grant, and to those that have experienced or are experiencing difficulty in administering a CDBG grant. Project formulation and planning assistance will be targeted to those communities that need more long-term technical assistance to prepare for CDBG or other State funding in the future and that have committed to undertake overall development and maintenance planning and budgeting efforts. State technical assistance may be in the form of personal contact with local government officials and staff, workshops, brokering assistance from private or local public sources, and documents and materials. Staff have prepared a CDBG Guidebook which is available on-line at www.dola.state.co.us/LGS/FA/cdbg.htm. The Guidebook contains information on Project Start-up, Financial Management, Reporting, Environmental Review, Civil Rights, Acquisition, Relocation, Labor and Construction, Project Close-Out, and Monitoring. All sections are available in PDF or Word format. This Guidebook is also given to grantees in hard copy at the time of award.

VII. GRANTEE RESPONSIBILITIES

As previously indicated, municipal and county governments are strongly encouraged to take primary responsibility for resolving housing and community development problems. In specific projects, this may involve adjusting development regulations, user rates and fees and capital construction and maintenance programs, creation of improvement districts, and generally sharing in or leveraging funds and management for development and redevelopment.

Also, local governments and project sponsors are strongly encouraged to use advisory committees in assessing needs and in formulating, implementing and modifying local development and redevelopment strategies. Use of such committees can often lend continuity and objectivity to the planning and development process. Additionally, jurisdictions submitting proposals and, as required, other project participants must comply with the following specific requirements by means of addressing the preceding "Review Factors" and providing specific certifications and statements:

1. Develop a community development program so as to give maximum feasible priority to activities that will benefit persons of low and moderate income or aid in the prevention or elimination of slums or blight. An applicant may also describe activities that the applicant certifies are designed to meet other community development needs that have arisen during the preceding 12-month period and have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.
2. Provide in a timely manner and as required, opportunities for citizen participation, hearings, and access to information with respect to its community development program, specifically including:

- Furnishing citizens information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and its plans for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities;
- Publishing a proposed project plan/application in such a manner to afford affected citizens an opportunity to examine its content and to submit comments on the proposed project plan/application and on the community development performance of the applicant;
- Holding one or more public hearings to obtain the views of citizens on community development and housing needs;
- As applicable, providing citizens with reasonable access to records regarding its past use of CDBG funds;
- In preparing its project plan/application, considering any such comments and views and, if deemed appropriate, modifying the proposed project plan/application;
- Making the final project plan/application available to the public;
- In the event it is awarded CDBG funds by the State, providing citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of CDBG funds from one eligible activity to another by following the same procedures required in this paragraph for the preparation and submission of the final project plan/application.

3. Follow a detailed citizen participation plan which:

- Provides for and encourages citizen participation with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which CDBG funds are proposed to be used;
- Provides citizens with reasonable and timely access to local meetings, information, and records relating to its proposed and actual use of CDBG funds;
- Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the applicant;
- Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;

- Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and
 - Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.
4. Prior to submitting a proposal for funds, identify and document community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.
5. Follow a residential anti-displacement and relocation assistance plan which shall in the event of such displacement, provide that:
- Governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low and moderate income dwelling units demolished or converted to a use other than for housing for low and moderate income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under section 8 of the United State's Housing Act of 1937;
 - Such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy;
 - Relocation shall be provided for all low or moderate income persons who occupied housing demolished or converted to a use other than for low or moderate income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and, in the case of displaced persons of low and moderate income, provide either:
 - Compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or
 - If elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under sub-clause (I) to permit the household to secure participation in a housing cooperative or mutual housing association:
 - Persons displaced shall be relocated into comparable replacement housing that is:
 - decent, safe, and sanitary;
 - adequate in size to accommodate the occupants;
 - functionally equivalent; and
 - in an area not subject to unreasonably adverse environmental conditions.

6. Will not plan or attempt to recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) CDBG funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than CDBG; or (B) for the purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the State that it lacks sufficient funds received from the State to comply with the requirements of (A).
7. Conduct and administer its program in conformity with the Civil Rights Act of 1964 and The Fair Housing Act.
8. Complete a self-evaluation of its current policies and practices to determine whether they meet the requirements of Section 504 of the Rehabilitation Act of 1973 as amended and the HUD implementing regulations at 24 CFR Part 8.
9. Comply with other provisions of Title I of the Act and other applicable federal and State laws and regulations. (A summary of many of the federal laws and regulations is contained in Appendix A.)

Finally, it should be noted that, to the greatest extent permitted by federal law and regulations, it is the State's intent that the local governments' monitoring and evaluation of projects be in accordance with program and financial oversight responsibilities to their citizens under State statutes and fiscal rules. Principal matters for monitoring and evaluation will be project progress, financial management, subcontracts, documentation, project benefit to low and moderate income persons, and compliance with federal and State laws and regulations. The State may require quarterly financial and program performance reports, a completion performance report and other reports. An audit is required. Information requested will serve to provide the State with a basis for evaluation of grantee performance. In addition, the reports will provide additional assurance of compliance with applicable federal and State laws and regulations.

VIII. FEDERAL LAWS AND REGULATIONS

APPLICABLE TO THE STATE-ADMINISTERED COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

National Environmental Policy Act of 1969 (42 USC 4321 et seq.), as amended, and the implementing regulations of HUD (24 CFR Part 58) and of the Council on Environmental Quality (40 CFR Parts 1500 - 1508) providing for establishment of national policy, goals, and procedures for protecting, restoring and enhancing environmental quality.

National Historic Preservation Act of 1966 (16 USC 470 et seq.), as amended, requiring consideration of the effect of a project on any district, site, building, structure or object that is included in or eligible for inclusion in the National Register of Historic Places.

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921 et seq.) requiring that federally-funded projects contribute to the preservation and enhancement of sites, structures and objects of historical, architectural or archaeological significance.

The Archaeological and Historical Data Preservation Act of 1974, amending the Reservoir Salvage Act of 1960 (16 USC 469 et seq.), providing for the preservation of historic and archaeological data that would be lost due to federally-funded development and construction activities.

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et seq.) prohibits undertaking certain activities in flood plains unless it has been determined that there is no practical alternative, in which case notice of the action must be provided and the action must be designed or modified to minimize potential damage.

Flood Disaster Protection Act of 1973 (42 USC 4001), placing restrictions on eligibility and acquisition and construction in areas identified as having special flood hazards.

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961 et seq.) requiring review of all actions proposed to be located in or appreciably affecting a wetland. Undertaking or assisting new construction located in wetlands must be avoided unless it is determined that there is no practical alternative to such construction and that the proposed action includes all practical measures to minimize potential damage.

Safe Drinking Water Act of 1974 (42 USC 201, 300 et seq., 7401 et seq.), as amended, prohibiting the commitment of federal financial assistance for any project which the Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.

The Endangered Species Act of 1973 (16 USC 1531 et seq.), as amended, requiring that actions authorized, funded, or carried out by the federal government do not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of the habitat of such species which is determined by the Department of the Interior, after consultation with the State, to be critical.

The Wild and Scenic Rivers Act of 1968 (16 USC 1271 et seq.), as amended, prohibiting federal assistance in the construction of any water resources project that would have a direct and adverse affect on any river included in or designated for study or inclusion in the National Wild and Scenic Rivers System.

The Clean Air Act of 1970 (42 USC 1857 et seq.), as amended, requiring that federal assistance will not be given and that license or permit will not be issued to any activity not conforming to the State implementation plan for national primary and secondary ambient air quality standards.

HUD Environmental Criteria and Standards (24 CFR Part 51), providing national standards for noise abatement and control, acceptable separation distances from explosive or fire prone substances, and suitable land uses for airport runway clear zones.

Section 104(d) of the Housing and Community Development Act of 1974, as amended (42 USC 5301), known as the "Barney Frank Amendment," and the HUD implementing regulations requiring that local grantees follow a residential anti-displacement and relocation assistance plan which provides for the replacement of all low/moderate income dwelling units that are demolished or converted to another use as a direct result of the use of CDBG funds, and which provides for relocation assistance for all low/moderate income households so displaced.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended -- Title III, Real Property Acquisition (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24), providing for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal or federally-assisted programs and establishing uniform and equitable land acquisition policies for federal assisted programs. Requirements include bona fide land appraisals as a basis for land acquisition, specific procedures for selecting contract appraisers and contract negotiations, furnishing to owners of property to be acquired a written summary statement of the acquisition price offer based on the fair market price, and specified procedures connected with condemnation.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended -- Title II, Uniform Relocation Assistance (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24), providing for fair and equitable treatment of all persons displaced as a result of any federal or federally-assisted program. Relocation payments and assistance, last-resort housing replacement by displacing agency, and grievance procedures are covered under the Act. Payments and assistance will be made pursuant to State or local law, or the grant recipient must adopt a written policy available to the public describing the relocation payments and assistance that will be provided. Moving expenses and up to \$22,500 for each qualified homeowner or up to \$5,250 for each tenant are required to be paid.

Davis-Bacon Fair Labor Standards Act (40 USC 276a - 276a-5) requiring that, on all contracts and subcontracts which exceed \$2,000 for federally-assisted construction, alteration or rehabilitation, laborers and mechanics employed by contractors or subcontractors shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. (This requirement applies to the rehabilitation of residential property only if such property is designed for use of eight or more families.)

Assistance shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any subcontractor or subrecipient during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 24.

Contract Work Hours and Safety Standards Act of 1962 (40 USC 327 et seq.) requiring that mechanics and laborers employed on federally-assisted contracts which exceed \$2,000 be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work week.

Copeland "Anti-Kickback" Act of 1934 (40 USC 276 (c)) prohibiting and prescribing penalties for "kickbacks" of wages in federally-financed or assisted construction activities.

The Lead-Based Paint Poisoning Prevention Act -- Title IV (42 USC 4831) prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance, and requiring notification to purchasers and tenants of such housing of the hazards of lead-based paint and of the symptoms and treatment of lead-based paint poisoning.

Section 3 of the Housing and Community Development Act of 1968 (12 USC 1701 (u)), as amended, providing that, to the greatest extent feasible, opportunities for training and employment that arise through HUD-financed projects, will be given to lower-income persons in the unit of the project area, and that contracts be awarded to businesses located in the project area or to businesses owned, in substantial part, by residents of the project area.

Section 109 of the Housing and Community Development Act of 1974 (42 USC 5309), as amended, providing that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin or sex under any program or activity funded in whole or in part under Title I (Community Development) of the Act.

Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 USC 2000 (d)) prohibiting discrimination on the basis of race, color, religion or religious affiliation, or national origin in any program or activity receiving federal financial assistance.

The Fair Housing Act (42 USC 3601-20), as amended, prohibiting housing discrimination on the basis of race, color, religion, sex, national origin, handicap and familial status.

Executive Order 11246 (1965), as amended by Executive Orders 11375 and 12086, prohibiting discrimination on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally-assisted contracts in excess of \$2,000.

Executive Order 11063 (1962), as amended by Executive Order 12259, requiring equal opportunity in housing by prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale or rental of housing built with federal assistance.

Section 504 of the Rehabilitation Act of 1973 (29 USC 793), as amended, providing that no otherwise qualified individual shall, solely by reason of a handicap, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal funds.

Age Discrimination Act of 1975, (42 USC 6101), as amended, providing that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.

Armstrong/Walker "Excessive Force" Amendment, (P.L. 101-144) & Section 906 of Cranston-Gonzalez Affordable Housing Act of 1990, requires that a recipient of HUD funds must certify that they have adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within their jurisdiction against individuals engaged in nonviolent civil rights demonstration; or fails to adopt and enforce a policy of enforcing applicable state and local laws against physically barring

entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

Government-wide Restriction on Lobbying, (P.L. 101-121), prohibits spending CDBG funds to influence or attempt to influence federal officials; requires the filing of a disclosure form when non-CDBG funds are used for such purposes; requires certification of compliance by the state; and requires the state to include the certification language in grant awards it makes to units of general local government at all tiers and that all sub-recipients shall certify accordingly as imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

Department of Housing and Urban Development Reform Act of 1989 (24 CFR Part 12) requiring applicants for assistance for a specific project or activity from HUD, to make a number of disclosures if the applicant meets a dollar threshold for the receipt of covered assistance during the fiscal year in which an application is submitted. An applicant must also make the disclosures if it is requesting assistance from HUD for a specific housing project that involves assistance from other governmental sources.

EXHIBIT B
Effective March 2003

MAXIMUM INCOMES FOR "LOW-INCOME" AND "MODERATE-INCOME" HOUSEHOLDS -- in current (2002) dollars
(to be used only for CDBG projects funded under the 1988 and subsequent CDBG Program Guidelines)

“**Low Income**” is defined as being 50% of area median income. “**Moderate Income**” is defined as being 80% of area median income. Persons whose current household incomes do not exceed these maximum income limits are considered to be low and moderate income (LMI) persons in the CDBG program. CDBG grantees and applicants whose projects involve the individual selection and qualification of beneficiaries based on their current incomes (as is the case in housing rehabilitation, job creation and other "direct benefit" projects) must use these income limits in determining whether beneficiaries are LMI persons. CDBG grantees and applicants using Department-approved surveys to obtain information on the current incomes of project beneficiaries must use these income limits to estimate the LMI benefit of project activities.

COUNTY	Type of Household	Household Size							
		1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
ADAMS COUNTY	Moderate Income	39150	44750	50350	55900	60400	64850	69350	73800
	Low Income	24450	27950	31450	34950	37750	40550	43350	46150
ALAMOSA COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
ARAPAHOE COUNTY	Moderate Income	29150	44750	50350	55900	60400	64850	69350	73800
	Low Income	24450	27950	31450	34950	37750	40550	43350	46150
ARCHULETA COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
BACA COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
BENT COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
BOULDER COUNTY	Moderate Income	39550	45200	50850	56500	61000	65550	70050	74600
	Low Income	30450	34800	39150	43500	47000	50450	53950	57400
	Low Income								
CHAFFEE COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
CHEYENNE COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
CLEAR CREEK COUNTY	Moderate Income	36300	41450	46650	51850	56000	60150	64300	68450
	Low Income	22700	25900	29150	32400	35000	37600	40200	42750
	Low Income								
CONEJOS COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
COSTILLA COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
CROWLEY COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
CUSTER COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
DELTA COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
DENVER COUNTY	Moderate Income	39150	44750	50350	55900	60400	64850	69350	73800
	Low Income	24450	27950	31450	34950	37750	40550	43350	46150
	Low Income								
DOLORES COUNTY	Moderate Income	25750	29450	33100	36800	39750	42700	45650	48550
	Low Income	16100	18400	20700	23000	24850	26700	28500	30350
	Low Income								

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
DOUGLAS COUNTY	Moderate Income	39150	44750	50350	55900	60400	64850	69350	73800
	Low Income	24450	27950	31450	34950	37750	40550	43350	46150
	Low Income								
EAGLE COUNTY	Moderate Income	39550	45200	50850	56500	61000	65550	70050	74600
	Low Income	26200	29950	33700	37450	40450	43450	46450	49450
	Low Income								
ELBERT COUNTY	Moderate Income	39550	45200	50850	56500	61000	65550	70050	74600
	Low Income	26450	30200	34000	37750	40750	43800	46800	49850
	Low Income								
EL PASO COUNTY	Moderate Income	33450	38200	43000	47750	51600	55400	59200	63050
	Low Income	20900	23900	26850	29850	32250	34650	37000	39400
	Low Income								
FREMONT COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
GARFIELD COUNTY	Moderate Income	32700	37400	42050	46700	50450	54200	57950	61650
	Low Income	20450	23350	26300	29200	31550	33850	36200	38550
	Low Income								
GILPIN COUNTY	Moderate Income	39550	45200	50850	56500	61000	65550	70050	74600
	Low Income	28600	32700	36750	40850	44100	47400	50650	53900
	Low Income								
GRAND COUNTY	Moderate Income	33700	38550	43350	48150	52000	55850	59700	63550
	Low Income	21050	24100	27100	30100	32500	34900	37300	39750
	Low Income								
GUNNISON COUNTY	Moderate Income	31550	36050	40550	45050	48650	52250	55850	59450
	Low Income	19700	22500	25350	28150	30400	32650	34900	37150
	Low Income								
HINSDALE COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
HUERFANO COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
JACKSON COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
JEFFERSON COUNTY	Moderate Income	39150	44750	50350	55900	60400	64850	69350	73800
	Low Income	24450	27950	31450	34950	37750	40550	43350	46150
	Low Income								
KIOWA COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
KIT CARSON COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
LAKE COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
LA PLATA COUNTY	Moderate Income	30400	34750	39100	43450	46900	50400	53850	57350
	Low Income	19000	21700	24450	27150	29300	31500	33650	35850
	Low Income								
LARIMER COUNTY	Moderate Income	36300	41450	46650	51850	56000	60150	64300	68450
	Low Income	22700	25900	29150	32400	35000	37600	40200	42750
	Low Income								
LAS ANIMAS COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
LINCOLN COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
LOGAN COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
MESA COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
MINERAL COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
MOFFAT COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
MONTEZUMA COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
MONTROSE COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
MORGAN COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
OTERO COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
OURAY COUNTY	Moderate Income	30050	34350	38650	42950	46400	49850	53250	56700
	Low Income	18800	21500	24150	26850	29000	31150	33300	35450
	Low Income								
PARK COUNTY	Moderate Income	34400	39300	44200	49100	53050	57000	60900	64850
	Low Income	21500	24550	27650	30700	33150	35600	38050	40500
	Low Income								
PHILLIPS COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
PITKIN COUNTY	Moderate Income	39550	45200	50850	56500	61000	65550	70050	74600
	Low Income	31700	36250	40750	45300	48900	52550	56150	59800
	Low Income								
PROWERS COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
PUEBLO COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
RIO BLANCO COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
RIO GRANDE COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
ROUTT COUNTY	Moderate Income	36750	42000	47250	52500	56700	60900	65100	69250
	Low Income	22950	26250	29500	32800	35400	38050	40650	43300
	Low Income								
SAGUACHE COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
SAN JUAN COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
SAN MIGUEL COUNTY	Moderate Income	39500	45100	50750	56400	60900	65400	69950	74450
	Low Income	24700	28200	31750	35250	38050	40900	43700	46550
	Low Income								
SEDGWICK COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								
SUMMIT COUNTY	Moderate Income	39550	45200	50850	56500	61000	65550	70050	74600
	Low Income	25450	29100	32700	36350	39250	42150	45050	48000
	Low Income								
TELLER COUNTY	Moderate Income	37450	42800	48150	53500	57800	62100	66350	70650
	Low Income	23400	26750	30100	33450	36150	38800	41500	44150
	Low Income								
WASHINGTON COUNTY	Moderate Income	28100	32150	36150	40150	43350	46600	49800	53000
	Low Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								

COUNTY	Type of	1	2	3	4	5	6	7	8
	Household	Person	Person	Person	Person	Person	Person	Person	Person
WELD COUNTY	Moderate	30250	34550	38900	43200	46650	50100	53550	57000
	Income	18900	21600	24300	27000	29150	31300	33500	35650
	Low Income								
YUMA COUNTY	Moderate	28100	32150	36150	40150	43350	46600	49800	53000
	Income	17550	20100	22600	25100	27100	29100	31100	33150
	Low Income								

X. DEFINITIONS - SLUMS AND BLIGHT

State Statutory Definitions

"Slum area" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare. (31-25-103 C.R.S., 1973, as amended.)

"Blighted area" means an area which, by reason of the presence of a substantial number of slum, deteriorated, or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, unusual topography, defective or unusual conditions of title rendering the title non-marketable, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare in its present condition and use. (31-15-103 C.R.S., 1973, as amended)

Federal Regulatory Definitions and Clarifications

Activities meeting the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

1. Activities to address slums or blight on an area basis. An activity will be considered to address prevention or elimination of slums or blight in an area if:
 - The area, delineated by the grantee, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;
 - Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration;
 - Documentation is maintained by the grantee on the boundaries of the area and the condition which qualified the area at the time of its designation; and
 - The assisted activity addresses one or more of the conditions that contributed to the deterioration of the area.

Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building

substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

2. Activities to address slums or blight on a spot basis. Acquisition, clearance, relocation, historic preservation and building rehabilitation activities that eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

XI. ELIGIBLE ACTIVITIES

Eligible activities and services under the Community Development Block Grant (CDBG) Program are those which:

- are consistent with the stated program goal and objectives; and
- are included as eligible activities under Section 105 of Title I of the Housing and Community Development Act of 1974 (the "Act"), as amended, and are otherwise eligible under other sections of Title I and under detailed federal regulations.

The following list of eligible activities is excerpted from Section 105(a) of Title I of the Act. (Emphasis has been added to facilitate its use.) HUD regulations further define and specify activities and services eligible under the CDBG program.

- (1) the acquisition of real property (including air rights, water rights, and other interests therein) which is
- (A) blighted, deteriorated, deteriorating, underdeveloped, or inappropriately developed from the standpoint of sound community development and growth;
 - (B) appropriate for rehabilitation or conservation activities;
 - (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;
 - (D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or
 - (E) to be used for other public purposes;

- (2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation which promote energy efficiency) of public works, facilities (except buildings for the general conduct of government), and site or other improvements;
- (3) code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public or private improvements or services to be provided, may be expected to arrest the decline of the area;
- (4) clearance, demolition, removal, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for rehabilitation, and rehabilitation of privately-owned properties and including the renovation of closed school buildings);
- (5) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
- (6) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under this title;
- (7) disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;
- (8) provisions of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, homeless assistance, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government, except that not more than 15 percent of the amount of any assistance to a unit of general local government under this title may be used for activities under this paragraph unless such unit of general local government (or in the case of non-entitled communities not more than 15 percent statewide) used more than 15 percent of the assistance received under this title including program income for the previous fiscal year for such activities (excluding any assistance received pursuant to Public Law 98-8), in which case such unit of general local government may not use more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount;
- (9) payment of the non-federal share required in connection with a federal grant-in-aid program undertaken as part of activities assisted under this title;
- (10) payment of the cost of completing a project funded under Title I of the Housing Act of 1949;

- (11) relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;
- (12) activities necessary
 - (A) to develop a comprehensive community development plan, and
 - (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively
 - (i) determine its needs,
 - (ii) set long-term goals and short-term objectives,
 - (iii) devise programs and activities to meet these goals and objectives,
 - (iv) evaluate programs and activities of such programs in accomplishing these goals and objectives, and
 - (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;
- (13) payment of reasonable administrative costs related to establishing and administering federally approved enterprise zones and payment of reasonable administrative costs and carrying charges related to planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in section 701(e) of the Housing Act of 1954 on the date prior to the date of enactment of the Housing and Community Development Amendments of 1981;
- (14) provision of assistance including loans (both interim and long term) and grants for activities which are carried out by public or private nonprofit entities, including:
 - (A) acquisition of real property;
 - (B) acquisition, construction, reconstruction, rehabilitation, or installation of
 - (i) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and
 - (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and
 - (C) planning;
- (15) assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities of non-entitlement areas, or entities organized under section 301(d) of the Small Business Investment Act of 1958 to carry out neighborhood revitalization or community economic development or energy conservation project in

furtherance of the objectives of section 101(c), and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States' Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;

(16) activities necessary to the development of energy use strategies, related to recipient's development goals, to assure that those goals are achieved with maximum energy efficiency, including items such as:

- (A) an analysis of the manner in, and the extent to, which energy conservation objectives will be integrated into local government operations, purchasing and service delivery, capital improvements budgeting, waste management, district heating and cooling, land use planning and zoning, and traffic control, parking, and public transportation functions; and
- (B) a statement of the actions the recipient will take to foster energy conservation and the use of renewable energy resources in the private sector, including the enactment and enforcement of local codes and ordinances to encourage or mandate energy conservation or use of renewable energy resources, financial and other assistance to be provided (principally for the benefit of low- and moderate-income persons) to make energy conserving improvements to residential structures, and any other proposed energy conservation activities.

(17) provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that-

- (A) creates or retains jobs for low - and moderate-income persons;
- (B) prevents or eliminates slums and blight;
- (C) meets urgent needs;
- (D) creates or retains businesses owned by community residents;
- (E) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or
- (F) provides technical assistance to promote any of the activities under (A) through (E).

(18) the rehabilitation or development of housing assisted under Section 17 of the United States' Housing Act of 1937.

(19) provision of assistance to facilitate substantial reconstruction of housing owned and occupied by low and moderate income persons

- A) where the need for the reconstruction was not determinable until after rehabilitation under this section had already commenced, or
- (B) where the reconstruction is part of a neighborhood rehabilitation effort and the grantee
 - (i) determines the housing is not suitable for rehabilitation, and
 - (ii) demonstrates to the satisfaction of the Secretary that the cost of substantial reconstruction is significantly less than the cost of new construction and less than the fair market value of the property after substantial reconstruction.

(20) provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities, which assistance shall not be considered a planning cost as defined in paragraph (12) or administrative cost as defined in paragraph (13).

- (21) (A) housing services, such as housing counseling, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in housing activities authorized under this section, or under Title II of the Cranston-Gonzalez National Affordable Housing Act, except that activities under this paragraph shall be subject to any limitation on administrative expenses imposed by any law;
- (B) lead-based paint evaluation and reduction as defined in Section 1004 of the Residential Lead-Based Paint Hazard reduction Act of 1992.

(22) provision of assistance by recipients under this Title to institutions of higher education having a demonstrated capacity to carry-out eligible activities under this subsection for carrying out such activities.

(23) provision of assistance to public or private organizations, agencies, and other entities (including nonprofit and for-profit entities) to enable such entities to facilitate economic development by-

- (A) providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises;
- (B) providing technical assistance, advise, and business support services (including assistance, advise, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; and

- (C) providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises.

(24) activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low and moderate income neighborhoods; and

(25) provision of direct assistance to facilitate and expand home ownership among persons of low and moderate income (except that such assistance shall not be considered a public service for purposes of paragraph 8) by using such assistance to-

- (A) subsidize interest rates and mortgage principal amounts for low and moderate income homebuyers;
- (B) finance the acquisition by low and moderate income homebuyers of housing that is occupied by the homebuyers;
- (C) acquire guarantees for mortgage financing obtained by low and moderate income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees);
- (D) provide up to 50 percent of any down payment required from low and moderate income homebuyer; or
- (E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by low- and moderate-income homebuyers.

(26) provision of direct assistance to facilitate homeless services including operations, essential services and homeless prevention.

The following is a provision affecting activity eligibility excerpted from Section 105 of Title I of the Act. (Section 105(d) was added to the Act by amendments enacted in 1983. Section 105(d) was added to the Act by amendments enacted in 1992.)

(1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection 105(a) is identified as principally benefiting persons of low and moderate income, such activity shall:

- (A) be carried out in a neighborhood consisting predominantly of persons of low and moderate income and provide services for such persons; or
- (B) involve facilities designed for use predominantly by persons of low and moderate income; or

- (C) involve employment of persons, a majority of whom are persons of low and moderate income.
- (D) for purposes of subsection (c)(1)(C):
 - (1) if an employee resides in, or the assisted activity through which he or she is employed, is located in a census tract that meets the federal enterprise zone eligibility criteria, the employee shall be presumed to be a person of low and moderate income ; or
 - (2) if an employee resides in a census tract where not less than 70 percent of the residents have incomes at or below 80 percent of the area median, the employee shall be presumed to be a person of low and moderate income.

(2) In any case in which an assisted activity described in subsection 105(a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to principally benefit persons of low and moderate income if not less than 51 percent of the residents of such area are persons of low and moderate income.

(3) Any assisted activity under this title that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.

The following is a provision affecting assistance to for-profit entities excerpted from Section 105(f) of Title I of the Act. (Section 105(f) was added to the Act by amendments enacted in 1992.)

In any case in which an activity described in paragraph (17) of subsection (A) is provided assistance such assistance shall not be limited to activities for which no other forms of assistance are available or could not be accomplished but for that assistance.

The following is a provision affecting micro-enterprise and small business program requirements excerpted from Section 105(g) of Title I of the Act. (Section 105(g) was added to the Act by amendments enacted in 1992.)

In developing program requirements and providing assistance pursuant to paragraph (17) of subsection (A) to micro-enterprise or small business, the Secretary shall:

- (1) take into account the special needs and limitations arising from the size of the entity; and
- (2) not consider training, technical assistance, or other support services costs provided to small business or microenterprises or to grantees and subgrantees to develop the capacity to provide such assistance, as a planning cost pursuant to section 105(a)(12) or an administrative cost pursuant to section 105(a)(13).

The following is a provision affecting activity eligibility excerpted from Section 104(b)(5) of Title I of the Act. (Section 104(b)(5) was added to the Act by amendments enacted in 1983.)

The grantee will not attempt to recover any capital costs of public improvements assisted in whole or part (with CDBG) funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

- (A) funds received (from the CDBG program) are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or
- (B) for the purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of (low) income, the grantee certifies to the (State) that it lacks sufficient funds received under (the CDBG program) to comply with the requirements of subparagraph (A).

The following is a provision affecting lump-sum payments excerpted from Section 104(h) of Title I of the Act. (Section 104(h) was amended by the Cranston-Gonzalez National Affordable Housing Act of 1990.)

Units of general local government receiving assistance under this title may receive funds, in one payment, in an amount not to exceed the total amount designated in the grant (or, in the case of a unit of general local government receiving a distribution from a State pursuant to section 106(d), not to exceed the total amount of such distribution) for use in establishing a revolving loan fund which is to be established in a private financial institution which is to be used to finance rehabilitation activities assisted under this title. Rehabilitation activities authorized under this section shall begin within 45 days after receipt of such payment and substantial disbursements from such fund must begin within 180 days after receipt of such payment.

The following is a provision affecting program income excerpted from Section 104(j) of Title I of the Act. (Section 104(j) was amended per the 1992 Housing and Community Development Act.)

Notwithstanding any other provision of law, any unit of general local government may retain any program income that is realized from any grant distributed by a state, under section 106 if (1) such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and (2) it will utilize the program income for eligible community development activities in accordance with the provisions of this title. A state may require as a condition of any amount distributed by such state under section 106(d) that a unit of general local government shall pay to such state any such income to be used by such state to fund additional eligible community development activities, except that such state shall waive such condition to the extent such income is applied to continue the activity from which such income was derived, except that the Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with this subsection creates an unreasonable administrative burden on the unit of general local government.

The following is a provision affecting Section 108 Loan Guarantee Authority excerpted from Section 108(d) of Title I of the Act. (Section 108(d)(2) of the Act was amended by the Cranston-Gonzalez National Affordable Housing Act of 1990.)

To assist in assuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this title as security for notes or other obligations and charges issued under this section by any unit of general local government in a non-entitlement area of the State.

APPENDIX A

SUMMARY OF ANNUAL PLAN PROCESS

The Department of Local Affairs staff from both the Division of Housing and Division of Local Government Field Services collaborated to complete this Annual Plan.

A summary and public notice of the location of the draft copies and the public comment period was published in the Denver Post. The draft of the Consolidated Plan was available for viewing and comment at the following locations throughout the state for the required thirty (30) day public comment period from January 2, 2004 to February 1, 2004:

Department of Local Affairs, Central Office
15075 S. Golden Rd., Golden, CO 80401
Contact: Clay Brown (303-273-1787)

Department of Local Affairs, South Central Office
540 Washington Street, Monte Vista, CO 81144
Contact: Deb Downs (719-852-9429)

Department of Local Affairs, Northeastern Office
119 Poplar Street, Sterling, CO 80751
Contact: Kent Gumina (970-522-2672)

Department of Local Affairs, Northern Mountains Office
602 Galena Street, Frisco, CO 80443
Contact: Cathy Shipley, (970-668-6160)

Department of Local Affairs, Northwestern Office
222 South Sixth Street, Rm 409, Grand Junction, CO 81501
Contact: Tim Sarmo, (303-248-7310)

Department of Local Affairs, North Central Office
150 E. 29th Street, Suite 215, Loveland, CO 80538
Contact: Don Sandoval, (303-679-4501)

Department of Local Affairs, Southeastern Office
132 West B Street, Suite 260, Pueblo, CO 81001
Contact: Lee Merkel (719-544-6577)

Department of Local Affairs, Southwestern Office
Ft. Lewis College, 1000 Rim Drive, Durango, CO 81302
Contact: Ken Charles (303-247-7311)

Office of Economic Development and International Trade
1625 Broadway, Suite 1710, Denver, CO 80202
Contact: Alice Kotrlik (303-892-3846)

Colorado Division of Housing
1313 Sherman Street, Room 518, Denver, CO 80203
Contact: Lynn Shine (303) 866-2046

The text of the draft plan was also posted on the Division of Housing website with an address posted for written comments.

For the Five Year Consolidated Plan, five public hearings were held during October/November 1999 for the purpose of accepting testimony on housing and community development needs in the State of Colorado. A total of 110 Colorado citizens attended the meetings which were held in the following locations: Silverthorne, Grand Junction, Durango, Greeley and Pueblo.

Notification of these hearings was done through a special site on the Division of Housing web site dedicated to the 2000 Consolidated Planning Process, and through two separate mailings totaling over 2,600 notifications of the hearings. These notifications went out in September to all housing authorities and local governments, the Colorado Coalition for the Homeless mailing list, the Colorado Supportive Housing and Homeless Programs mailing list, the Colorado Rural Development Council mailing list, the Division of Housing mailing list which includes nonprofit housing providers, and other low income advocacy groups in September. In October, the public hearings were advertised in the Colorado Municipal League, Colorado Counties and Colorado Rural Development Council monthly mailings to their constituents. The hearings were written up before hand in many local newspapers and subsequent articles were written by local news media.

The Division of Housing posted a housing survey of priority needs on its web site. This survey was mentioned at the hearings and votes on needs were taken from the end of September 1999 through December 10, 1999.

Written comments were requested to be received by February 10, 2000 at the Colorado Division of Housing, 1313 Sherman St, Rm 518 attn: Jennie Rodgers.

The **2004 Annual Plan** will have two public hearings for comment, as well as have the plan posted on the Division of Housing and Local Affairs websites for comment. Both of the public hearings will be held January 8, 2004 in Grand Junction and at the Denver Office of the Department of Local Affairs. Comments will be incorporated in the final document.

Summary of feedback from the 2000 public hearings and written comments on the draft plan will be found in Appendix B of this document.

APPENDIX B

RESOURCES

FEDERAL HOUSING PROGRAMS

<u>PROGRAM TITLE:</u>	Community Services Block Grant (CSBG)
ADMINISTRATION AGENCY:	Colorado Department of Local Affairs Local Government Services
DESCRIPTION:	This program is designed to provide a range of services and activities having a measurable and potentially major impact on the causes of poverty in the community or those areas of the community where poverty is a particularly acute problem.
ELIGIBLE ACTIVITIES and NATIONAL OBJECTIVES:	Eligible activities must meet the federal program objectives, the most pertinent are: 1) to secure and retain meaningful employment; 2) to maintain an adequate education; 3) to make better use of available income; 4) to obtain and maintain adequate housing and a suitable living environment; 5) to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including health services, nutritious food, housing, and employment related assistance; 6) to remove obstacles and solve problems which block the achievement of self-sufficiency; and 7) to achieve greater participation in the affairs of the community.
DISTRIBUTION:	Funds are distributed through a formula allocation to all counties.
<u>PROGRAM TITLE:</u>	Emergency Shelter Grants (ESG)
ADMINISTRATION AGENCY:	Colorado Division of Housing
DESCRIPTION:	This program provides grants on a formula basis to states and local governments for renovation, major rehabilitation, conversion of buildings for use as emergency shelters for homeless persons, or to make structural changes to make a facility accessible to the physically disabled. Funds also can be used for certain operating costs, essential services, and homeless prevention activities, including financial assistance to families who have received eviction notices or notices of termination of utility service. States can distribute ESG assistance directly to private nonprofit

organizations, if local governments certify their approval of the project. Homeless day shelters and drop-in centers are also eligible for funding.

**APPLICATION PROCESS and
SPECIAL REQUIREMENTS:**

Funds will be obligated through a competitive application when funds received by DOH from HUD increase substantially over the prior year. Otherwise DOH will give priority to its current subgrantees with established programs. Applications will be reviewed for extent and urgency of identified homeless needs, project impact on identified need, management capacity, and demonstrated local area support and coordination of supportive services. The state will give priority to applications from non-formula allocation areas.

The first \$100,000 of a state grant does not have to be matched. Beyond the first \$100,000, federal funds must be matched on a dollar-for-dollar basis. The match may include any donated material or building, leases, staff salaries, or volunteer services. The state or locality can use up to 60 percent of its ESG grant for both essential services and prevention. Essential services include such activities as job skills training, health care, substance abuse treatment, and education. Prevention activities include short-term rent subsidies, utility payments, security deposits, landlord/tenant mediation, and mortgage payments to prevent foreclosures.

When a grantee receives funds for only shelter operations and essential services, the building must be used as a shelter as long as federal assistance is received. The shelter site can be changed only if the assistance is for operating funds or essential services and the new site would continue to serve essentially the same population. If funds are used for rehabilitation, other than major rehabilitation or conversion, the building must be used as a shelter for at least three years. If the funds are used for major rehabilitation or conversion, the building must be used as a shelter for a minimum of ten years.

PROGRAM TITLE:

FNMA: Fannie Mae Community Lending Program

ADMINISTRATION AGENCY:

Federal National Mortgage Association (FNMA-Fannie Mae)

DESCRIPTION:

Fannie Mae Community Lending products are flexible and designed to expand the availability of low down payment mortgages and address problems with qualifying incomes. The

American Communities fund is a community development venture capital fund dedicated to making equity investments for affordable housing in neighborhoods that lack adequate access to traditional equity capital. The Housing Impact Fund is a three-year loan program that funds housing developments for underserved populations and are outside the corporation's standard project profile.

PROGRAM TITLE:

FNMA: Fannie Mae House Colorado Plan

ADMINISTRATION AGENCY:

Federal National Mortgage Association (FNMA-Fannie Mae)

DESCRIPTION:

A \$15 million, five year investment in Colorado housing projects through: Rural and Resort Housing Plans, Community Revitalization, Multifamily Financing, Employer Assisted Housing Partnerships, Mortgage Revenue Bond Partnerships, Native American Lending, Outreach to the African American and Hispanic Communities, Improved Homebuyer Education, and nonprofit support.

PROGRAM TITLE:

Federal Historic Investment Tax Credits

ADMINISTRATION AGENCY:

Colorado State Historical Society

**ELIGIBLE ACTIVITIES and
MATCH REQUIREMENTS:**

Owners of buildings on the National Register are entitled to take 20% investment tax credit on their federal income tax for certified rehabilitation expenses of residential and commercial income-producing property. Tax credit can be on both the hard and soft costs of rehabilitation either on a two-year rehabilitation plan or a 5-year phased plan. The tax credit is received in the year the project is put into service. In order to raise capital for the project, the tax credits may be sold to Limited Partner investors who would receive a share of project gains, losses and proceeds upon resale of the property.

PROGRAM TITLE:

Federal Home Loan Bank Board Affordable Housing Program

ADMINISTRATION AGENCY:

Federal Home Loan Bank

DESCRIPTION:

This program is available through member institutions, mostly savings and loans, to encourage their participation in affordable housing lending programs.

**ELIGIBLE ACTIVITIES and
OTHER INFORMATION:**

Funds may be used to finance the purchase, construction or rehabilitation of rental and single family housing in which at least 20% of the units will be occupied and affordable for very low income households for term of loan. Priority is given for utilization of existing HUD/RTC or other government-owned properties and involvement of nonprofit organizations and/or housing authorities or other government entities.

PROGRAM TITLE:

Rehabilitation Home Mortgage Insurance 203(K)

ADMINISTRATION AGENCY: FHA/U.S. Department of Housing and Urban Development

DESCRIPTION:

A mortgage insurance program for long-term fixed or adjustable rate mortgages to finance both the acquisition and the rehabilitation of one to four-family residences (not condominiums or cooperatives). Interest rates, based on the market rate, are negotiable between borrower and lenders. Mortgages are amortized over 30 years.

PROGRAM TITLE:

Section 221(d)(4)

ADMINISTRATION AGENCY: FHA/U.S. Department of Housing and Urban Development

DESCRIPTION:

A mortgage insurance program for new construction and rehabilitation of projects for moderate income families with a minimum of five units. HUD-FHA insures mortgages made by HUD-FHA approved private lenders to private, profit-motivated corporations, trust, partnerships or individuals. Financing can be either market-rate or tax-exempt. Loans cannot exceed forty years and the interest rate is negotiated between the lender and borrower. The maximum insurable replacement cost of new construction or cost of rehabilitation.

PROGRAM TITLE:

Section 221(d)(3)

ADMINISTRATION AGENCY: FHA/U.S. Department of Housing and Urban Development

DESCRIPTION:

A mortgage insurance program for new construction and rehabilitation of projects for low and moderate income families with a minimum of five units. It is primarily for use by nonprofit borrowers. Otherwise it is the same program as the Section 221(d)(4), except that the maximum insurable mortgage is 90%-

100% of estimated replacement cost of new construction or rehabilitation.

PROGRAM TITLE: Home Ownership Loans Program (502)

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program provides loans in rural areas to finance home and building sites. Loans may also be used to improve, repair or rehabilitate rural homes and related facilities, and provide adequate water and waste disposal. Rural areas are defined as open country, places with population under 10,000 and, under certain conditions, town and cities with population between 10,000 and 20,000. Loan terms up to 33 years (38 years for those with incomes below 60% of area median) and 30 years for manufactured housing units.

PROGRAM TITLE: Rural Housing Preservation Grants (533)

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program enables sponsoring organizations to assist very low and low-income homeowners to repair or rehabilitate their dwellings. The grants are competitive and made available in areas where there is a concentration of need. HPG funds are combined with other programs or funds, and used as a loan, grant or subsidy for recipient households, based on a plan contained in the sponsor organization's application.

PROGRAM TITLE: Rural Housing Site Loans (523 and 524)

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program makes loans to nonprofit and public agencies to purchase and develop building sites, and to construct streets and utilities. 523 loans are for self-help housing sites, 524 loans are for low and moderate-income families. 524 sites may also be sold to public and nonprofit organizations using federal, state or local programs to house low and moderate-income families. All loans are repayable in two years.

PROGRAM TITLE: Rural Rental and Cooperative Housing Loans (515)

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program provides direct loans to finance rental or cooperatively owned housing designed for very low, low, and moderate income families, elderly, and handicapped. Funds may be used to construct new housing or to purchase and rehabilitate existing structures for rental purposes. Congregate housing for the elderly, handicapped, and group homes for developmentally disabled are authorized. Funds may also be used to purchase or improve land.

PROGRAM TITLE: Rural Rental Assistance Payments (521)

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program enables low-income families or individuals to reside in FmHA rural rental, cooperative or farm labor housing without paying over 30% of their income for rent. FmHA pays the difference between the tenant's contribution and the monthly rental rate, including utilities and services. Rental contracts between FmHA and the owner are for five years and are renewable. Ninety-five percent of those assisted must have very low income. In existing projects seventy-five percent must be very low income.

PROGRAM TITLE: Self-Help Technical Assistance Grants (523)

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program provides administrative funding to organizations sponsoring self-help housing development. Under self-help, a group of families jointly contribute labor to build their own homes, which are financed under Section 502. Applicants must show that their organization has the ability to supervise a project or that they will receive assistance from a group having this ability. Contracts are normally for two years.

PROGRAM TITLE: Very Low Income Housing Repair Loans and Grants (504)

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program provides loans up to \$20,000 and grants up to \$7,500 which can be combined for a total of \$27,500 to very low income homeowners for repairs, improvements to modernize their dwelling or removal of health and/or safety hazards. Homeowners must have incomes below 50% of area median and be unable to obtain an affordable loan elsewhere. Dwelling must need the safety hazard repairs. Grants to homeowners 62 or older maybe used only for repair of safety and health hazards.

PROGRAM TITLE: Farm Labor Housing Loans and Grants (514/516)

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program provides loans/grants to build, buy, improve or repair housing for farm laborers, including persons whose income is earned in agriculture. Funds can be used to purchase or lease a site; to construct housing; to pay fees; to purchase durable household furnishing; and to pay for construction loan interest. Eligible for these loans/grants are farmers, farm associations, family farm corporations, Indian tribes, nonprofit, public agencies and associations of farm workers. Loan terms are 33 years at 1% interest. Grant terms are up to 90% of development cost. The remaining 10% is usually a Section 514 loan.

PROGRAM TITLE: HOME Investment Partnership Program

ADMINISTRATION AGENCY: Colorado Division of Housing

ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS: Acquisition, Rehabilitation, New Construction, Tenant Based Rental Assistance (All activities require a 25% non-federal match.)

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Ninety percent of funds invested in tenant based rental assistance rental units must benefit families with incomes 60% or below area median income. One hundred percent of funds invested in homebuyer programs must benefit families whose incomes are equal to or less than 80% of area median income. Funds are obligated through a competitive application process on a continuing basis with applications reviewed monthly by the State Housing Board.

There is a fifteen percent (15%) set-aside for Community Development Housing Organization activities which include activities that are eligible generally under the HOME Program --

acquisition, construction and rehabilitation where the CHDO is the owner, developer or sponsor -- as well as project specific technical assistance, site control loans, and project-specific seed money loans.

PROGRAM TITLE: "Small Cities" Community Development Block Grant

ADMINISTRATION AGENCY: Colorado Department of Local Affairs. Housing set-aside administered by the Division of Housing.

ELIGIBLE ACTIVITIES: Acquisition, Rehabilitation, New Construction Public Services and Facilities, Administration Costs

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Funds will be obligated through a competitive application process, continuing basis with review of applications monthly by the State Housing Board. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to very low and low-income persons.

PROGRAM TITLE: Energy Saving Partnership Program (E\$P)

ADMINISTRATION AGENCY: Governor's Office of Energy Conservation

ELIGIBLE ACTIVITIES: E\$P combines Federal and utility funds for Low Income weatherization. The program serves households whose income is at or below 150% of federally defined poverty level. Services include combustion safety testing, furnace efficiency adjustments, air leakage testing and reduction, insulating attic, walls, under floor/perimeter, and energy consumption education

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Weatherization Services are provided on a statewide basis through eight public and private nonprofit agencies. Funds are allocated annually, based upon poverty population and climate data for each service area.

PROGRAM TITLE: Supportive Housing Program

ADMINISTRATION AGENCY: Office of Special Needs Assistance Programs, U.S. Department of Housing and Urban Development

ELIGIBLE APPLICANTS: States, local governments, other governmental entities, Native American Tribes, private nonprofit organizations, and community

mental health associations that are public nonprofit organizations are eligible to compete for grant funds through a national selection process.

DESCRIPTION: The program is designed to promote the development of supportive housing and services, including innovative approaches to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible.

ELIGIBLE ACTIVITIES: Funds may be used for the acquisition, rehabilitation, new construction, leasing, and operating costs of structures for use as supportive housing or services; costs of supportive services in supportive housing; or the cost of supportive services provided to homeless persons who do not reside in supportive housing.

PROGRAM TITLE: Section 8 Certificates and Vouchers

ADMINISTRATION AGENCY: Colorado Division of Housing

DESCRIPTION: The program provides tenant-based subsidies for rents paid by low and very low-income households. Tenant payments are based upon income and the Section 8 rental subsidy, paid either directly to unit owners or through public housing authorities, cover the difference between that amount and the market rent for the unit.

ELIGIBLE ACTIVITIES: Funds may be used for tenant-based rental assistance.

PROGRAM TITLE: Section 8 Certificates and Vouchers

ADMINISTRATION AGENCY: Office of Supportive Housing and Homeless Programs

DESCRIPTION: The program provides tenant-based subsidies for rents paid by low and very low-income households specifically with disabilities. Tenant payments are based upon income and the Section 8 rental subsidy, paid either directly to unit owners or through public housing authorities, cover the difference between that amount and the market rent for the unit.

ELIGIBLE ACTIVITIES: Funds may be used for tenant-based rental assistance.

PROGRAM TITLE: Section 8 Moderate Rehabilitation Assistance for Single Room Occupancy (SRO) Dwellings

ADMINISTRATION AGENCY: Office of Community Planning and Development
U.S. Department of Housing and Urban Development

DESCRIPTION: The SRO program provides funding for HUD's Section 8 Moderate Rehabilitation Assistance Program to be used to rehabilitate SRO units for occupancy by homeless persons. SRO assistance also can be used to rehabilitate efficiency units that contain kitchen or bathroom facilities if the project owner agrees to pay the additional costs of rehabilitation and operation of the units.

PROGRAM TITLE: Shelter Plus Care Programs - Rental Assistance/Section 8 (SRO) Rehabilitation and Section 202 Rental Assistance

ADMINISTRATION AGENCY: Office of Community Planning and Development
U.S. Department of Housing and Urban Development

ELIGIBLE APPLICANTS: States, units of general local government, PHAs, and Indian tribes may apply for assistance under any or all of the four components.

DESCRIPTION: This program is designed to link federally provided rental assistance with locally supplied supportive services for hard-to-serve homeless persons with disabilities and their families. Rental assistance is provided through four components: 1) Tenant-Based Rental Assistance (TBRA); 2) Sponsor-Based Rental Assistance (SRA); 3) Project-Based Rental Assistance (PRA); and, 4) an extension of the Moderate Rehabilitation for Single-Room Occupancy (SRO) for Homeless Individuals Program.

PROGRAM TITLE: Housing Opportunities for Persons with AIDS (HOPWA)

ADMINISTRATION AGENCY: Office of Community Planning
US Department of Housing and Urban Development

DESCRIPTION: This program provides States and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families. The program authorizes two types of grants for a range of housing assistance and supportive services for low income persons with AIDS or related diseases and their families.

PROGRAM TITLE: Supportive Housing for Persons with Disabilities (Section 811)

**DESCRIPTION and
ELIGIBLE ACTIVITIES:**

This program will fund capital advances bearing no interest based on development cost limits published periodically in the Federal Register. Repayment of the advance is not required as long as the housing remains available for occupancy by very low-income persons with disabilities for at least 40 years. The program will also fund project rental assistance to cover the difference between the HUD-approved operating cost per unit and 30% of the resident's adjusted income. Development methods that are eligible are new construction, rehabilitation, acquisition for group homes and acquisition from the Resolution Trust Corporation for group home and independent living facilities.

ADMINISTRATION AGENCY: Field or Regional Office. U.S. Department of Housing Urban Development

PROGRAM TITLE:

Supportive Housing for Elderly Persons (Section 202)

**DESCRIPTION and
ELIGIBLE ACTIVITIES:**

This program will fund capital advances bearing no interest based on development cost limits published periodically in the Federal Register. Repayment of the advance is not required as long as the housing remains available for occupancy by very low-income elderly persons 62 years of age or older for at least 40 years. The program will also fund project rental assistance to cover the difference between the HUD-approved operating cost per unit and the amount the resident pays. Development methods that are eligible are new construction, rehabilitation, acquisition for group homes and acquisition from the Resolution Trust Corporation for group home and independent living facilities.

ADMINISTRATION AGENCY: U.S. Department of Housing Urban Development

PROGRAM TITLE:

Low Income Housing Tax Credits (LIHTC)

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION:

This program allows individuals and corporations that invest in qualifying low income housing projects to receive federal tax credits that directly reduce their tax liabilities for ten years assuming that the project continues to comply with program regulations. Proceeds from these investments are used to construct the low-income housing project.

APPLICATION PROCESS: Applications for tax credit reservations are accepted on business days during the 1st through the 15th of every month, beginning February 1, 2004 and ending November 15, 2004.

SPECIAL REQUIREMENTS: Applicants must compete on criteria established in the Colorado Housing and Finance Authority's Qualified Allocation Plan. Preference is given to projects providing housing to the lowest income households for the longest period of time.

PROGRAM TITLE: Taxable Loan Program

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: Construction and permanent financing for new construction or substantial rehabilitation projects that also are assisted with Low Income Housing Tax Credits. The borrower's general partner may be either a nonprofit or for profit entity.

APPLICATION PROCESS: Applications are accepted on a continuous basis. Each month, after staff underwriting, proposed loans are taken to the Colorado Housing and Financing Authority Board for approval.

STATE HOUSING PROGRAMS

PROGRAM TITLE: Colorado Historic Preservation Income Tax Credits

ADMINISTRATION AGENCY: Colorado State Historical Society

ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS: The owners of buildings which are over 50 years old and historically designated are entitled to take tax credits of 20% of the rehabilitation costs up to a maximum of \$50,000. The credit directly reduces the income taxes owed to the state and can be carried forward five years. The tax credit is first received the year the project is put into service. These tax credits can also be sold to limited partner investors in order to raise capital for the rehabilitation project.

PROGRAM TITLE: Colorado Division of Housing Grant/Loan Program

ADMINISTRATION AGENCY: Colorado Division of Housing

**ELIGIBLE ACTIVITIES:
APPLICATION PROCESS and
SPECIAL REQUIREMENTS:**

Acquisition, Rehabilitation, and New Construction
Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. \$1 per \$1 match is required.

Applications will be reviewed for management capacity, project impact on need, project feasibility, and benefit to very low and low-income persons.

PROGRAM TITLE:

Colorado Division of Housing Home Investment Partnership Program

ADMINISTRATION AGENCY:

Colorado Division of Housing

DESCRIPTION:

This program provides short-term, one to seven year, secured loans to assist housing authorities, public entities and private nonprofit with the development of housing for low and moderate-income persons.

**ELIGIBLE ACTIVITIES and
MATCH REQUIREMENTS:**

The maximum income of occupants can be no more than 100% of the location's area median income. Loans can be made for land or property acquisition, development fees, or new construction or rehabilitation. Interest rates range from 1% to prime rate plus 2. There must be a guaranteed "take-out" in place.

**APPLICATION PROCESS and
SPECIAL REQUIREMENTS:**

Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. The loan must be fully collateralized.

PROGRAM TITLE:

Colorado Division of Housing/Fannie Mae Construction Lending Program

ADMINISTRATION AGENCY:

Colorado Division of Housing

DESCRIPTION:

This program provides short-term, one to seven year, secured loans to assist housing authorities, public entities and private nonprofit with the development of housing for low and moderate income persons. Fannie Mae purchases participation in DOH construction loans for the development of affordable housing.

**ELIGIBLE ACTIVITIES and
MATCH REQUIREMENTS:**

The maximum income of occupants can be no more than 100% of the location's area median income. Loans can be made for land or

property acquisition, development fees, or new construction or rehabilitation. Interest rates. There must be a guaranteed "take-out" in place. Below-market interest rates are set by Fannie Mae. No fees are charged for the Fannie Mae portion of the loans.

**APPLICATION PROCESS and
SPECIAL REQUIREMENTS:**

Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. The loan must be fully collateralized.

PROGRAM TITLE:

Mortgage Revenue Bond Program

ADMINISTRATION AGENCY:

Colorado Housing and Finance Authority

**ELIGIBLE ACTIVITIES and
DESCRIPTION:**

Acquisition, Acquisition/Rehabilitation Mortgage Revenue Bonds are issued throughout the year by the Colorado Housing and Finance Authority. The proceeds are used to purchase below market rate first mortgage loans from participating lenders. The home buyers must be first time buyers. Other program eligibility requirements include income and purchase price limits.

PROGRAM TITLE:

Mortgage Credit Certificate Program

ADMINISTRATION AGENCY:

Colorado Housing and Finance Authority

ELIGIBLE ACTIVITIES:

Acquisition, Acquisition/Rehabilitation

DESCRIPTION:

A Mortgage Credit Certificate allows a low or moderate-income homebuyer to take a federal income tax credit for a percentage of the mortgage interest paid during the year. The certificates are committed to homebuyers on a first come, first served reservation system. The homebuyers must be first time buyers. Other program eligibility requirements include income and purchase price limits.

PROGRAM TITLE:

HomeStart Program

ADMINISTRATION AGENCY:

Colorado Housing and Finance Authority

ELIGIBLE ACTIVITIES:

Acquisition, Acquisition/Rehabilitation

DESCRIPTION:

These funds are used to fund minimum down payment and closing costs for first time home buyers who utilize mortgage revenue bond financing to fund minimum down payment and closing costs.

The funds are committed to homebuyers on a first come, first served reservation system. Applicants must meet the standard eligibility requirements for the mortgage revenue bond program and have a family income not in excess of 80% of state median income.

PROGRAM TITLE: HomeStart Plus Program

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

ELIGIBLE ACTIVITIES: Acquisition

DESCRIPTION: The HomeStart Plus program provides first mortgages to first time buyers at competitive interest rates and includes 2% cash assistance for down payment and closing costs. Income limits are higher than CHFA's tax-exempt programs and there are no purchase price limits.

PROGRAM TITLE: Housing Fund

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: This program funds construction and interim financing for all types of housing sponsored by nonprofit and public agencies. Activities given priority are acquisition and rehabilitation.

APPLICATION PROCESS: Applications are accepted on a continuous basis. Proposed loans are taken to the Colorado Housing and Financing Authority Board for approval.

PROGRAM TITLE: Down Payment Assistance Program

ADMINISTRATION AGENCY: Colorado Housing and Finance Agency

ELIGIBLE ACTIVITIES: Acquisition, Acquisition/Rehabilitation

DESCRIPTION: These funds are used to fund minimum down payment and closing costs for homebuyers who utilize mortgage revenue bond financing to fund minimum down payment and closing costs. The funds are committed to homebuyers on a first come, first served reservation system. Applicants must meet the standard eligibility requirements

for the mortgage revenue bond program and have a family income not in excess of 80% of state median income.

PROGRAM TITLE: Taxable Bond Program

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

ELIGIBLE ACTIVITIES: Acquisition

DESCRIPTION: The Taxable Bond program provides first mortgages at competitive interest rates and includes 2% cash assistance for down payment and closing costs. Income limits are higher than CHFA's tax-exempt programs and there are no purchase price limits.

PROGRAM TITLE: 501(c)(3) Bond Program

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: This program funds construction and permanent financing for new construction, acquisition and/or rehabilitation of very low, low and moderate income rental housing for family, elderly, and special needs households. Applicants must be 501(c)(3) tax-exempt organizations or local public housing authorities. The maximum loan level is 95% of cost or value whichever is less.

APPLICATION PROCESS: Applications are accepted on a continuous basis. Proposed loans are taken to the Colorado Housing and Financing Authority Board for conditional, then permanent approval.

PROGRAM TITLE: Housing Opportunity Fund

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: This fund provides flexible gap financing for low income rental housing and home ownership projects. Preference is given to proposals that make housing affordable to people with extremely low incomes.

APPLICATION PROCESS: Applications are accepted on a continuous basis each month. Proposed loans are taken to the Colorado Housing and Financing Authority Board for approval.

PROGRAM TITLE: Private Activity Bonds

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority, Colorado Department of Local Affairs and Local Government Issuers

DESCRIPTION: This program involves using the proceeds of tax-exempt bond issues to fund construction and permanent loans for for-profit entities to construct or acquire/rehabilitate rental housing for low and mixed income households, to provide mortgage credit certificates or mortgage revenue bonds. It is generally required that loans be insured or guaranteed by a third party such as FHA.

APPLICATION PROCESS: Applications are taken by local municipal or county housing or finance offices, by the Colorado Housing and Finance Authority, or the Department of Local Affairs. Before a project may proceed, official action must be taken by the local elected governing body to allocate bond issuing authority for the loan. Actions are taken by the Colorado Housing and Finance Authority Board monthly and by local issuers more frequently. Issuers can also secure bond authority from the Colorado Department of Local Affairs, which accepts applications twice a year.

PROGRAM TITLE: Taxable Loan Program

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

ELIGIBLE ACTIVITIES: Construction and/or Permanent Financing

DESCRIPTION: Taxable financing is available to be combined with the 90% competitive Low Income Tax Credit for new construction or acquisition/rehabilitation of rental housing for families or elderly. CHFA will make loans of \$500,000 up to \$7.5 million insured through the CHFA/FHA Risk Sharing program. These loans are financed either through the sale of the bonds or loan participations and provide either construction and/or permanent financing.

APPLICATION PROCESS: Applications are accepted on a competitive annual basis.

PROGRAM TITLE: State Low Income Housing Tax Credit

ADMINISTRATION AGENCY: Colorado Housing Finance Authority

DESCRIPTION:

Allows individuals and corporations who invest in qualifying low-income rental housing projects to receive state tax credits that directly reduce their tax liability for ten years (assuming the project continues to comply with program regulations for the 15 year term). Proceeds from these investments are used to construct the low-income housing project. Applications for tax credit reservations are accepted the 1st through the 15th of every month, beginning February 1, 2004 and ending November 15, 2004, applicants must compete on criteria established in the Colorado Housing Finance Authority's (CHFAs) allocation plan. Preference is given to projects providing housing to the lowest income households for the longest period of time. CHFA's board approves a preliminary reservation and the final allocation is distributed once the project is available for occupancy.

LOCAL GOVERNMENT PROGRAMS**PROGRAM TITLE:**

Boulder Community Housing Assistance Program

ADMINISTRATION AGENCY: City of Boulder

DESCRIPTION:

To provide local affordable housing developers with additional financial resources, Boulder created the CHAP in 1992. The CHAP generates between \$900,000 and \$1,000,000 a year and is funded through property taxes and the Housing and Development Excise Tax. The property tax is based on a .8 mill levy out of 9.981 mills levied for the city. These taxes are generated from new commercial/industrial and residential development. Residential properties provide the majority of the funding (56 percent) while commercial/industrial properties provide 44 percent. CHAP funds are granted to developers for acquisition, rehabilitation and new construction of affordable housing. Often CHAP funds are used in tandem with the City's HOME or CDBG funds. CHAP funds are targeted to families between 31 and 60 percent AMI.

PROGRAM TITLE:

City of Aspen Affordable Housing/Daycare Fund

ADMINISTRATION AGENCY: Aspen/Pitkin Housing Office

DESCRIPTION:

This fund was established to support development activities including: land acquisition, construction, redevelopment and renovation, operations, and day care. The fund is capitalized by a one percent real estate transfer tax and a 0.45 percent sales tax. In

1999, the real estate transfer tax and sales tax contributed \$3.9 million to the fund. All funds are administered by the Aspen/Pitkin Housing Office as part of an intergovernmental agreement between Aspen and Pitkin County.

PROGRAM TITLE: Longmont Affordable Housing Fund

ADMINISTRATION AGENCY: City of Longmont

DESCRIPTION: When a developer is requesting an annexation, the city requires 10 percent of the total by housing type and by phase to be made affordable through rents to households at or below 60 percent of AMI or through purchase price to households at or below 80 percent of AMI. All annexations can elect to make a payment “in lieu of” actual development.

PROGRAM TITLE: Skyline Housing Trust Fund

ADMINISTRATION AGENCY: City of Denver

DESCRIPTION: Denver’s Skyline Housing Trust Fund was originally capitalized from the proceeds of land sales from an urban renewal district in Denver (the 16th Street Mall). Distribution of the fund is limited eligible CDBG activities. The current focus of the program is to provide funds for homeownership activities. Funding recipients include the Colorado Housing Assistance Corporation (CHAC) for down payment assistance and closing cost loans to low-income persons.

PROGRAM TITLE: Denver Neighborhood Housing Fund

ADMINISTRATION AGENCY: Denver Housing and Neighborhood Services Office

DESCRIPTION: Provides 5% interest rate pre-development loans, bridge loans and property acquisition and construction loans to non-profit developers. Loans must be used to develop home ownership or rental projects targeting low and moderate income families.

PROGRAM TITLE: San Miguel County Deed-Restricted Sales Assessment

ADMINISTRATION AGENCY: San Miguel County Regional Housing Authority

DESCRIPTION: This program generates funding through a one percent transfer tax on the sale of county, deed-restricted properties. These revenues are deposited with the San Miguel County Regional Housing Authority for the acquisition of deed-restricted properties. The Housing Authority will acquire units in cases where owners of deed-restricted homes cannot find a qualified buyer, or in cases where the unit is in foreclosure.

PROGRAM TITLE: Garfield County Affordable Housing Program

ADMINISTRATION AGENCY: Garfield County Housing Authority

DESCRIPTION: Requires all new developments to make 10% of units affordable to families with incomes equal or less than 80% of county median income. The program is voluntary at this time.

FOR PROFIT

No funds available in this category

NON-PROFIT

No funds available in this category

FEDERAL COMMUNITY DEVELOPMENT PROGRAMS

PROGRAM TITLE: "Small Cities" Community Development Block Grant (CDBG)

ADMINISTRATION AGENCY: Colorado Department of Local Affairs. Public Facilities set aside administered by the Office of Field Services.

DESCRIPTION: Projects must primarily benefit very low and low-income persons or eliminate slum/blight conditions or urgent need.

ELIGIBLE ACTIVITIES: Acquisition, Rehabilitation, Reconstruction, New Construction, Public Services, Administrative Costs

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Funds will be obligated through a competitive application process with on-going review of applications. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to

very low and low income persons. Small Cities CDBG applicants are limited to Colorado's non-entitlement municipalities or counties; districts and private systems are eligible sub-recipients.

PROGRAM TITLE: Rural Economic Community Development (RECD)

ADMINISTRATION AGENCY: U.S. Department of Agriculture, Rural Development

DESCRIPTION: To develop community facilities for public use in rural areas and towns. Funds may be used to construct, enlarge, or improve community facilities for health care, public safety and public services.

ELIGIBLE ACTIVITIES: Water, Wastewater, & Stormwater Loan & Grant; Solid Waste Management; Distance Learning & Tele-medic Loan & Grant; and Community Facility Programs.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Application received on a continuing basis. Eligible applicants are counties, municipalities, special purpose districts, Indian Tribes and non-profit corporations. For water, wastewater and stormwater projects, applicant population may not be more than 10,000; for other community facilities, applicant population of not more than 20,000; and must be unable to obtain funding from other sources at reasonable rates and terms; have legal authority to borrow and repay loans; and be financially sound and able to manage the facility effectively.

PROGRAM TITLE: Water Pollution Control Revolving Fund (WPCRF)

ADMINISTRATION AGENCY: Colorado Water Resources and Power Development Authority

DESCRIPTION: Loans for wastewater and non-point source pollution projects.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Ongoing application process. Eligible applicants are counties, municipalities or special districts and the applicant must be on the WPCRF's eligibility list. A 201 facility plan or adequate feasible study for small borrowers is required.

PROGRAM TITLE: EDA Water and Wastewater Program

ADMINISTRATION AGENCY: U.S. Economic Development Administration

DESCRIPTION: Provides matching funding for economic development related projects such as public works, public works impact projects, business development assistance, technical assistance, state and local economic development planning and economic adjustment. The funding must be earmarked to economically distressed areas and tied to permanent private sector jobs and investments.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Applicant must be located in an EDA eligible area. It is a grant only program with an ongoing application process. The percentage of the project costs reimbursed by EDA depends on the degree of economic distress of the applicant.

PROGRAM TITLE: High Poverty Grants

ADMINISTRATION AGENCY: U.S. Department of Education

DESCRIPTION: Support development and implementation of school to work opportunities. Program is targeted to urban and rural areas of high poverty.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Fifteen to twenty-five awards per year on an annual basis.

PROGRAM TITLE: School-to-Work Program

ADMINISTRATION AGENCY: U.S. Department of Education

DESCRIPTION: Helping cities/communities who already have the school-to-work program to establish a national framework that allows states to create programs connecting high school students who are not college bound with the working world.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Fifteen to twenty-five awards per year on an annual basis.

PROGRAM TITLE: The Distance Learning and Medical Link Grant Program

ADMINISTRATION AGENCY: National Rural Electrification Administration
DESCRIPTION: Funds are provided for the development and application procedures to advance telecommunication technology for rural Americans. Eligible applicants are rural schools, universities, hospitals and/or consortiums that emphasize rural sites.

APPLICATION PROCESS: Annual application review.

PROGRAM TITLE: Federal Transit Administration - Mass Transit

ADMINISTRATION AGENCY: Colorado Department of Transportation

DESCRIPTION: Provides grants for research, demonstration projects, studies outlining the management, operations, capital requirements and economic feasibility of transit services; managerial, technical and professional training in the public transportation field; preparation of engineering and architectural surveys and transit facilities; and evaluations of previously funded transit projects.

APPLICATION PROCESS: Eligible applicants are counties, cities, and other local governments as well as Indian Tribes and grants are made annually.

STATE COMMUNITY DEVELOPMENT PROGRAMS

PROGRAM TITLE: Energy and Mineral Impact Assistance Fund (IMPACT)

ADMINISTRATION AGENCY: The Department of Local Affairs (DOLA)

DESCRIPTION: Provides grants and loans for planning, construction and maintenance of public facilities and the provision of public services.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Funds will be obligated through a competitive application process with review of applications semi-annually by the State. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, and project impact. Eligible recipients are municipalities, counties, school districts, special districts and other political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels.

PROGRAM TITLE: Gaming Impact Assistance Fund (Gaming)

ADMINISTRATION AGENCY: The Department of Local Affairs (DOLA)

DESCRIPTION: Provides grants to finance planning, construction and maintenance of public facilities and for the provision of public services related to the impact of gaming.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Grants may only be provided to counties that are geographically contiguous to the gaming counties and can demonstrate a gaming impact. Funds are obligated through a competitive application process on a yearly basis by the State.

PROGRAM TITLE: Colorado Small Water Resources Projects Program

ADMINISTRATION AGENCY: Colorado Water Resources and Power Development Authority

DESCRIPTION: The program provides funding related to water supply, storage, transmission, treatment and distribution.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Applicants are received on a continuous basis with Funding requests of at least \$300,000. Eligible applicants are municipalities, counties, special districts and political subdivisions of the state with a population greater than 1,000 and/or 600 taps. The program provides funding in the form of loans. Raw water storage and diversion projects require Colorado Water Conservation Board review.

PROGRAM TITLE: Drinking Water Revolving Fund

ADMINISTRATION AGENCY: Colorado Water Resources and Power Development Authority

DESCRIPTION: The program provides funds related to drinking water quality improvement projects. This is a loan only program that provides “direct” loans of up to \$500,000 and “leveraged” loans for amounts from \$500,000 to \$15,000,000. Direct loans carry an interest rate of 4.5% and leveraged loan interest rates are 80% of market rate.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Ongoing application process with raw water, storage and diversion projects requiring CWCB review. Eligible applicants are municipalities, counties, special districts and political subdivisions of the state. Loan amount is up to \$500,000 maximum.

<u>PROGRAM TITLE:</u>	Colorado Water Conservation Board Construction Fund
ADMINISTRATION AGENCY:	State Department of Natural Resources, CWCB
DESCRIPTION:	Program provides construction loans for raw water projects and studies that may include well fields, metering devices, transmission and storage of raw water.
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Eligible applicants are municipalities, counties and special districts of the state. Private applicants must conform to C.R.S. 37-60-121. There is an ongoing application cycle that contains an October deadline for legislative approval. There is no limit on the amount of funds for which an applicant can apply. Interest rates are from zero to 7%, rate that is established by the CWCB Board with repayment terms up to 40 years. Loans to governmental agencies must be reviewed by the Colorado Water Resources and Power Development Authority.
<u>PROGRAM TITLE:</u>	Domestic Wastewater Treatment Grant Program
ADMINISTRATION AGENCY:	Colorado Department of Public Health and Environment, Water Quality Control Division
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Program provides funding up to 80% for small system wastewater projects in the form of grants that must have at least 20% of local or other resources. Eligible applicants are governmental entities under 5,000 population. There is an ongoing application cycle.
<u>PROGRAM TITLE:</u>	Colorado Drinking Water Grant Program
ADMINISTRATION AGENCY:	Colorado Department of Public Health and Environment, Water Quality Control Division
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Program provides funding up to 80% for small system wastewater projects in the form of grants that must have at least 20% of local or other resources. Eligible applicants are governmental entities and non-profit organization under 5,000 population. There is an ongoing application cycle.
<u>PROGRAM TITLE:</u>	Historical Preservation and Restoration
ADMINISTRATION AGENCY:	Colorado Historical Society

DESCRIPTION:	Program grants funds for historic preservation and restoration of sites in imminent danger and threat and general historic preservation and restoration.
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Funds for projects in imminent danger may be awarded as the need arises. Other projects are on a competitive grant cycle. By legislation, over 50% of the funds must be granted to public entities such as municipalities, counties and universities with the remainder being available to non-governmental entities and individuals.
<u>PROGRAM TITLE:</u>	Community Recycling Assistance Program
ADMINISTRATION AGENCY:	Office of Energy Management and Conservation
DESCRIPTION:	Program provides funding to assist communities wishing to develop recycling programs. Funds can be used for education; composting; source reduction; and anything else relating to recycling.
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Annual applications with a March deadline. Eligible applicants are local governments.
<u>PROGRAM TITLE:</u>	Great Outdoors Colorado
ADMINISTRATION AGENCY:	Great Outdoors Colorado
DESCRIPTION:	Program provides funding to assist in developing and/or managing open space, parks and environmental education facilities.
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Ongoing grant application process with eligible applicants being local governments eligible to receive Conservation Trust Fund dollars.
<u>PROGRAM TITLE:</u>	Discretionary Aviation Grants Program
ADMINISTRATION AGENCY:	Colorado Aeronautical Board
DESCRIPTION:	Grants for maintenance, safety related projects. Also used to provide leverage for Federal grants, underground storage tank removal and pavement maintenance.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process with the highest grant being in the range of \$50,000. Eligible applicants are public use airports.

PROGRAM TITLE: Special Bridge Fund

ADMINISTRATION AGENCY: Colorado Counties, Inc.

DESCRIPTION: Grants for rehabilitation or replacement of substandard bridges.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process with counties being the eligible applicant.

PROGRAM TITLE: E911 Emergency Warning System Grant Program

ADMINISTRATION AGENCY: The Colorado Trust

DESCRIPTION: Interest free loan program to purchase and install E911 (enhanced) emergency telephone systems.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process with eligible applicants being counties. Loans are made with a stipulation that they are paid back within three years, one payment per year.

PROGRAM TITLE: Youth Crime Prevention and Intervention Program (CPI)

ADMINISTRATION AGENCY: Colorado Department of Public Health and Environment

DESCRIPTION: A grant program designed to financially assist prevention and/or intervention community-based projects that reduce incidents of youth violence in Colorado.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process. Eligible applicants are school districts, municipalities, state agencies and non-profit corporations.

PROGRAM TITLE: Emergency Medical Services Account Grant

ADMINISTRATION AGENCY: Colorado Department of Public Health and Environment

DESCRIPTION: Goal of the program is to establish a coordinated statewide Emergency Medical Services system. Grants are available for

emergency vehicles, communications equipment and systems, medical/extrication equipment and training and regional programs to provide technical assistance.

APPLICATION PROCESS and SPECIAL REQUIREMENTS:

Annual application process. Eligible applicants are state agencies, municipalities, hospitals, fire departments, non-profits or any other entity that is an EMS provider within the state.

FEDERAL ECONOMIC DEVELOPMENT PROGRAMS

PROGRAM TITLE:

"Small Cities" Community Development Block Grant (CDBG)

ADMINISTRATION AGENCY:

Colorado Department of Local Affairs. Economic Development set-aside is administered by the Colorado Office of Economic Development.

DESCRIPTION:

Funding available for proposals involving the provision of financing for businesses.

ELIGIBLE ACTIVITIES:

Financing through local or regional revolving funds for loans to private for-profit or non-profit businesses, including micro-enterprise loans; also provision of infrastructure for specific businesses.

APPLICATION PROCESS and SPECIAL REQUIREMENTS:

Applications are received and considered on a continuous basis. The state's non-entitlement counties and municipalities are eligible to apply for funds to provide loans to businesses willing to commit to creating or retaining jobs filled primarily by low to moderate income persons. Additionally, eligible communities may apply for grants to construct public infrastructure needed by businesses willing to create or retain jobs filled with low and moderate-income people. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to very low and low-income persons.

PROGRAM TITLE:

Economic Development Projects

ADMINISTRATION AGENCY:

U.S. Economic Development Administration

DESCRIPTION:

Provides matching funding for economic development related projects such as public works, public works impact projects,

business development assistance, technical assistance, state and local economic development planning and economic adjustment.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Ongoing application process with state agencies, counties, municipalities, local governments and non-profits eligible to apply.

PROGRAM TITLE: Rural Economic Development Loan and Grant Program

ADMINISTRATION AGENCY: National Rural Electrification Administration

DESCRIPTION: Zero-interest loans to promote rural economic development and job creation projects within communities.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Monthly application process Only REA telephone and electric cooperatives are eligible to apply.

STATE ECONOMIC DEVELOPMENT PROGRAMS

PROGRAM TITLE: Agricultural Processing Feasibility

ADMINISTRATION AGENCY: Colorado Department of Agriculture

DESCRIPTION: Grants to fund studies on feasibility of processing agricultural products.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process. Only local governments are eligible to apply.

PROGRAM TITLE: ACCESS, Rural Development Loan Programs, Business and Industry Program 1, RENEW Colorado, and Nonprofit Real Estate loan program.

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: Direct loans provided by CHFA to small businesses and nonprofit organizations.

ELIGIBLE ACTIVITIES: A variety of eligible financing activities, including acquisition of machinery and equipment, owner-occupied real estate, and in some cases, refinancing of existing debt.

APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Applications are received on a continuing basis. Due to the variety of loan programs available, contact CHFA's Business Finance Department for specific requirements.
<u>PROGRAM TITLE:</u>	Quality Investment Capital (QIC), Quality Agricultural Loans (QAL), and Business and Industry Program 2
ADMINISTRATION AGENCY:	Colorado Housing and Finance Authority
DESCRIPTION:	Secondary Market Loan Program
ELIGIBLE ACTIVITIES:	A variety of eligible financing activities, including acquisition of machinery and equipment, and non-investment real estate. Contact CHFA's Business Finance Department for applicable guidelines.
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	QIC, QAL and CHFA B and I2 loans are approved by sponsoring bank and guaranteed by a federal agency. Contact CHFA's Business Finance Department for a list of program requirements and participating banks.
<u>PROGRAM TITLE:</u>	Industrial Development Revenue Bonds
ADMINISTRATION AGENCY:	Colorado Housing and Finance Authority
DESCRIPTION:	These special project loans are made for projects that do not meet the requirements of other CHFA Business Finance programs and are funded through the issuance of tax-exempt manufacturing revenue bonds.
ELIGIBLE ACTIVITIES:	Colorado for-profit businesses involved in manufacturing may use these funds for acquisition of real estate or manufacturing equipment.
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Contact CHFA's Business Finance Department for applicable guidelines. The program is subject to available funds and a competitive review process may apply.

PRIVATE ECONOMIC DEVELOPMENT PROGRAMS

<u>PROGRAM TITLE:</u>	Rural Economic Vitality Initiative (REVive)
ADMINISTRATION AGENCY:	Qwest/Community Reinvestment Fund (CRF)
DESCRIPTION:	Grants to increase the capacity of micro-capital loan funds in rural communities served by Qwest.
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Annual awards are available to any non-profit governmental entity within the state who attends Qwest Micro Lending Seminar.

APPENDIX C

SUMMARY OF PUBLIC HEARING COMMENTS

Although these hearings were held as part of the 2000 Consolidated Plan process, the comments made at that time are still applicable and are reflected in the 2004 Annual Action Plan. Those prior comments included herein. Additional public hearings were held in 2004 (see prior section) to seek additional comment and the required 30-day comment period and publication was provided.

The Colorado Division of Housing (DOH) conducted 5 public hearings during October/November 1999, to seek input into the Colorado 2000 Consolidated Plan. A total of 110 Colorado citizens attended the meetings which were held in the following locations: Silverthorne, Grand Junction, Durango, Greeley and Pueblo.

I. Silverthorne - October 28, 1999

There were eleven participants in this meeting held in the central mountains of Colorado. HUD staff in attendance expressed concerns regarding the timing of the meeting and the outreach activities used to publicize the sessions. The session began with a discussion of the specific affordable housing issues in Summit and Grand Counties.

Rental Housing

Need: The need for rental housing in this areas touches all income levels. Although there are a substantial number of multi-family vacation condominiums available, there was no knowledge of any recent affordable rental housing development in the area. The Section 8 Program is not working since there are not enough rental units available. The priority ranking for rental housing by income level for each county follows:

Priorities for Summit/Grand Counties: #1. 60-80% AMI #2. 30-60% AMI #3 0-30% AMI

Priorities for CO Coalition for Homeless: #1. 0-30% AMI #2. 30-60% AMI #3 60-80% AMI

Actions:

- C State should start its own Section 8 Program
- C Support inclusionary zoning and other regulatory reform
- C Provide funds for land acquisition (i.e. land banking)
- C Implement a real estate transfer tax
- C Support new construction of rental units

Homeownership

Need: Homeownership opportunities for those persons at 60%-150% AMI was identified as a need. In addition, single family rehabilitation to preserve existing units was also cited as important. Participants expressed a feeling that there appears to be a blockade in homeownership between FHA/FNMA/RD. Both FHA and FNMA financing for the purchase of condominium units requires that the complex be at least 51% owner occupied.

Actions:

- C Preserve existing housing, including mobile homes
- C Provide homeownership assistance for those households at 60%-150% AMI
- C Convert condominium units to homeownership

Special Needs

Need: In Summit County the importance of special needs housing was ranked a medium/high, but the inventory is not available. In Grand County this need was identified as a low/medium.

Actions: None identified

Homeless/Transitional Housing:

Need: HUD programs now require a 20% of the total services budget. The group felt that these funds are difficult to access. It is important to develop new housing, but the recent loss of tenant based rental assistance from the Supportive Housing Program is making it difficult to preserve what has been available.

Actions:

- Identify source of matching funds for service activities

II. Grand Junction - October 28, 1999

There were thirteen participants in this meeting. A concern was raised by the HUD staff present, regarding the timing of the hearings and the outreach activities used to publicize the sessions.

Need: This group reviewed the survey and ranked the ten needs as follows:

Rental Housing for incomes between 0-30% - High
Rental Housing for incomes between 31-60% - High
Rental Housing for incomes between 61-80% - Medium
Financing for acquisition and rehabilitation of existing affordable rental - High
Financing for new construction of rental housing - High
Financing for homeownership at the 80% AMI or less - High
Preservation of existing homes - High
Provide handicap accessible dwellings for persons at 50% AMI - Low
Increase the number of emergency shelters - High
Increase the number of transitional housing units - High

Actions:

- Increase the number of emergency shelter beds in Mesa and Garfield Counties
- Increase the number of transitional housing units in Mesa and Garfield Counties
- Increase the availability of Section 8 assistance

III. Durango - October 29, 1999

Approximately twenty persons attended the session in Durango.

Need: There was general agreement that instead of prioritizing need, individual comments would be recorded. These included:

- The survey language was questioned as being too complex for low-income persons. A suggestion was made that the language needed to be geared to a sixth grade education level and that simple explanations be provided.
- Everyone in attendance had expressed concern about recent statements made by local elected officials that there was no affordable housing problem. Concern was expressed that since the 1996 housing needs assessment, no data has been compiled to define the problem. Therefore, local agencies were back to justifying any affordable housing efforts.

Actions:

- DOH should fund an area wide needs assessment, or a combination of needs assessments, that could then be updated periodically. Several participants, including Durango city government representatives, La Plata Community Development Corporation, Southwest Community Resources and Colorado Housing Inc., expressed willingness to divide the cost and work load involved in such an assessment. It was suggested that the needs assessment should include a survey of existing or planned affordable units.
- A clearinghouse should be established for affordable housing units. There should be a single source for residents and agencies to access.
- There is a need for more emergency shelter beds and transitional housing in the Durango area. Step-up housing is needed.
- All of Region 9 has a need for workforce housing. This was defined as affordable rental housing for those households between 50-80% AMI.
- The preservation of existing single-family owner occupied homes continues to be a priority.

IV. Greeley - November 4, 1999

The Consolidated Plan Regional Meeting was held in Greeley, Colorado on Thursday, November 4, 1999. There were 39 attendees. The participants broke down into four smaller groups and listed below is a summary of the comments received by the groups.

Group One

Need: The highest priority is households at 0-30% of AMI. In addition, groups most in need of services/housing were ranked in the following order: migrant workers, disabled, seniors, and families.

Action:

- Multi-family rental
- For sale manufactured home on the land/home type model (the homeowner owns the land rather than renting).

Group Two

Need: This group reviewed the survey and ranked the ten needs as follows:

Rental Housing for incomes between 0-30% - High

Rental Housing for incomes between 31-60% - Medium

Rental Housing for incomes between 61-80% - High

Financing for acquisition and rehabilitation of existing affordable rental - High

Financing for new construction of rental housing - High

Financing for homeownership at the 80% AMI or less - Low

Preservation of existing homes - High

Provide handicap accessible dwellings for persons at 50% AMI - High

Increase the number of emergency shelters - High

Increase the number of transitional housing units - High

Actions:

- Contribute funds to A Women's Place, shelter for battered women and children. Last year the facility turned away 130 women. Greeley has committed \$100,000 in funding to expand the facility.
- Elbert County needs to partner with a non-profit to provide affordable housing.
- Fee structures should be redefined and base the cost of the fees on the square footage of the property.

Group Three

Need: This group rated all housing needs outlined on the survey as high priorities.

Action:

- More multi-family mixed-use property with more of a full community characteristic; e.g. disabled, elderly, economic, and family characteristics. Today, communities are too segregated. Integrated communities would create less of the "those people" divisions.
- Create more programs to assist new homeowners such as down payment assistance, go to the private sector to assist their workers, build partnerships with government and the private industry.
- Continue working with local governments to reduce fees. And continue outreach to local governments to keep affordable housing on the front burner.

Group Four

Need: Assisting households at <30% AMI was rated as a high priority. In addition, the following groups were identified as a high priority: persons with disabilities, single people, homeless, teen families and unattached youth, chronically mentally ill,

Actions:

- Laws to cap rents or rent controls as a tool to preserve affordable housing.
- Emergency housing
- Day shelters
- First month rent deposit and one month rental assistance

V. Pueblo - November 5, 1999

Twenty-seven people attended the Consolidated Plan meeting in Pueblo. The participants were divided into two groups.

Group One

Need: This group prioritized the most in need by income level in the following order:

0-30% AMI - High
31-60% AMI - Next Highest
61-80% AMI - Medium (by 2 of table)
61-80% AMI - Low (by 2 of table)

In addition, the following general comments were made concerning the affordable housing need in Colorado:

- It's a hard transition from homeless to paying rent.
- 61-80 percent of AMI technically can afford a moderate house, but can not afford the down payment to buy the house.
- In Kiowa, generally, the 61-80 percent AMI are elderly, and can not afford anything.
- In Pueblo and Colorado Springs the elderly are generally already taken care of via already established programs and resources.
- Prisoners are released, and they have a job, but no housing, which causes re-incarceration.
- Shelters can't legally serve persons under the age of 18, unless they have been designated as a shelter to serve youth. Colorado Springs has only one youth bed for the whole city.
- Section 8 preservation
- Mentally ill - welfare to work

Group Two

Need: This group did not reach a consensus regarding the affordable housing need in Colorado - not the actions to address the need. Instead, the following general comments were made:

- There are limited funds, who should get help? Should we spend all on 30 percent AMI, or spread the funds out and serve more at the 61-80 percent population?
- What do we do with politically directed priorities? Politics vs. need. This is beyond DOH to solve. How to get around?
- Housing entities need to find lenders that will work with subsidized programs and call local bank underwriters and educate them
- Basic homebuyer education is needed early on in high school.
- Cost of construction - How do you get cost down? In Victor contractors get \$40 to \$60/hour. This is due to the weather conditions, and the age of the buildings.
- Historical buildings - The application process is only open two times a year, must match the dollars, and are told what can and can not be done.
- Those that choose to stay in rentals - not everyone wants to buy a home, need more family units.
- General awareness is needed of the available housing programs, need more help from DOH.

Group Three

This group reviewed the survey and ranked the ten needs as follows:

Rental Housing for incomes between 0-30% - High

Rental Housing for incomes between 31-60% - Medium

Rental Housing for incomes between 61-80% - Low

Financing for acquisition and rehabilitation of existing affordable rental - High

Financing for new construction of rental housing - Medium

Financing for homeownership at the 80% AMI or less - Medium

Preservation of existing homes - Medium

Provide handicap accessible dwellings for persons at 50% AMI - Medium

Increase the number of emergency shelters - High

Increase the number of transitional housing units - High

2004 Public Hearing

XXX written comments were received at the public hearings.

Comments on the **2004 Action Plan** were submitted by XXX. These comments have been incorporated into the text, with the exception of the following general statement from the Colorado Coalition for the Homeless: “Almost by definition, homeless people have the most critical housing needs. Therefore, it’s disappointing to see DOH prepare a 133-page “action plan” that devotes less than 2 pages to discussing homelessness.”

Colorado Consolidated Plan Survey (2000)

In addition to the five public hearings held for the 2000 Five Year Consolidated Plan, the Colorado Division of Housing utilized the Internet to seek input into the state’s affordable housing needs. A survey document was made available that listed the need categories and provided the user with the opportunity to rank the statewide priorities based upon their knowledge of their own communities. The survey was available for public comment from October 1, 1999 - December 10, 1999.

There were a total of 89 responses through the Internet. Survey responses were submitted by 25 persons at the public hearings. The results are listed below.

1. Decrease the number of renter households with incomes between 0-30% of AMI who pay more than 30% of their income for shelter.

High	Medium	Low
82	17	9

2. Decrease the number of renter households with incomes between 31-60% of AMI who pay more than 30% of their income for shelter

High	Medium	Low
63	36	8

3. Decrease the number of renter households with incomes between 61-80% of AMI who pay more than 30% of their income for shelter.

High	Medium	Low
31	45	31

4. Provide financing for the acquisition and rehabilitation of existing affordable rental properties.

High	Medium	Low
65	32	12

5. Provide financing for the construction of new affordable rental units.

High	Medium	Low
71	29	8

6. Provide the financing to create first-time home ownership opportunities for household earning 80% or less of AMI through infrastructure subsidies, interest rate buy-downs and down payment assistance programs.

High	Medium	Low
66	31	10

7. Preserve existing homes for homeowners at 80% or less of AMI in danger of losing them because of health and safety problems in the structure.

High	Medium	Low
44	43	20

8. Provide handicap accessible dwellings for individuals and households below 50% of AMI that need supportive services linked with housing (CMI, DD, Physically Disabled and Frail Elderly)

High	Medium	Low
57	37	13

9. Increase the number of emergency shelter beds for homeless persons and victims of domestic violence.

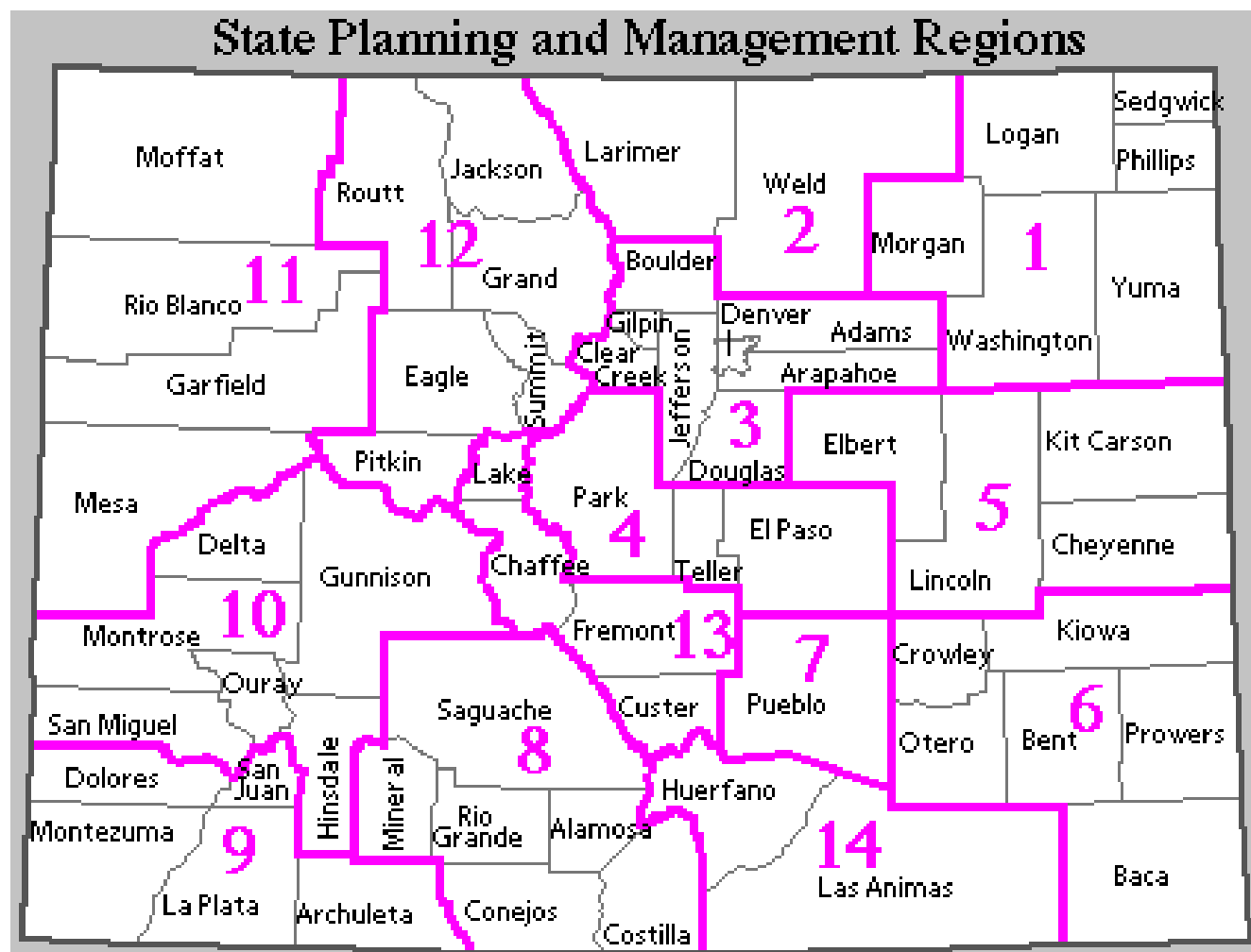
High	Medium	Low
47	37	21

10. Increase the number of transitional housing units for persons moving out of emergency shelters.

High	Medium	Low
53	32	20

APPENDIX D

Colorado Planning Region Map



APPENDIX E

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other

designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted.
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Michael L. Beasley

Date

Executive Director

Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet

other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2003, 2004, 2005 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate income (not low income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

Michael L. Beasley

Date

Executive Director

Title

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Michael L. Beasley

Date

Executive Director

Title

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR §576.71.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Michael L. Beasley

Date

Executive Director

Title

HOPWA Certifications

The State HOPWA grantee (competitive grant) certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Michael L. Beasley

Date

Executive Director

Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).
4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit

authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Check if there are workplaces on file that are not identified here; the certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

APPENDIX F DEFINITIONS

Affordable Housing:	Affordable housing is generally defined as housing where the occupant is paying no more than thirty percent of gross income for gross housing costs, including utility costs.
AIDS and Related Diseases:	The disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.
Alcohol/Other Drug Addiction:	A serious and persistent alcohol or other drug addiction that significantly limits a person's ability to live independently.
Area of Low Income:	Any area where the total percentage of extremely low, low income concentration households is more than 51% of the total population.
Area of Racial/Ethnic Minority Concentration:	Any county that has a total minority population greater than 38.58% of the population in the county. (This threshold was derived by taking the percent minority population in the state, 19.29%, and doubling it.) Source: 1990 U.S. Census.
Assisted Household	For the purposes of specifying one-year goals for assisting households or person: persons, a household or person is assisted if, during the coming Federal fiscal year, they will benefit through one or more programs included in the state's plan. A renter is benefited if the person takes occupancy of affordable housing that is newly acquired, newly rehabilitated, or newly constructed, and/or receives rental assistance. An existing homeowner is benefited during the year if the home's rehabilitation is completed. A first-time homebuyer is benefited if a home is purchased during the year. A homeless person is benefited during the year if the person becomes an occupant of transitional or permanent housing. A non-homeless person with special needs is considered as being benefited, however, only if the provision of supportive services is linked to the acquisition, rehabilitation, or new construction of a housing unit and/or the provision of rental assistance during the year. Households or persons who will benefit from more than one program activity must be counted only once. To be included in the goals, the housing unit must, at a minimum, satisfy the HUD Section 8 Housing Quality Standards (see 24 CFR section 882.109).

Committed:	Generally means there has been a legally binding commitment of funds to a specific project to undertake specific activities, or an obligation of funds to a State recipient.
Consistent with the Consolidated Plan:	<p>A determination made by the State that a program application meets the following criterion:</p> <p>The Annual Plan for that fiscal year's funding indicates the State planned to apply for the program or was willing to support an application by another entity for the program; the location of activities is consistent with the geographic areas specified in the plan; and the activities benefit a category of residents for which the State's five-year plan shows a priority.</p>
Cost Burden > 30%:	The extent to which gross housing costs, including utility costs, exceed thirty percent of gross income, based on U.S. Census Bureau data
Cost Burden > 50%: (Severe Cost Burden)	The extent to which gross housing costs, including utility costs, exceed fifty percent of gross income, based on U.S. Census Bureau data.
Disabled Household:	A household composed of one or more persons at least one of whom is an adult (a person of at least 18 years of age) who has a disability. A person shall be considered to have a disability if the person is determined to have a physical, mental or emotional impairment that: 1) is expected to be of long-continued and indefinite duration, 2) substantially impedes his or her ability to live independently, and 3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6006). The term also includes the surviving member or members of any household described in the first sentence of this paragraph who were living in an assisted unit with the deceased member of the household at the time of his or her death.
Economic Independence Self-Sufficiency	Program undertaken by Public Housing Agencies (PHAs) to promote economic independence and self-sufficiency for

Programs:	participating families. Such programs may include project self-programs and Operation Bootstrap programs that originated under earlier Section 8 rental certificate and rental voucher initiatives, as well as the Family Self-Sufficiency program. In addition, PHAs may operate locally developed programs or conduct a variety of special projects designed to promote economic independence and self-sufficiency.
Elderly Household:	A family in which the head of the household or spouse is at least 62 years of age.
Extremely Low-income Families:	Families whose income is between 0 and 30 percent of the median income for the area, as for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.
Existing Homeowner:	An owner-occupant of residential property who holds legal title to the property and who uses the property as his/her principal residence.
Family:	A household comprised of one or more individuals.
Family Self-Sufficiency (FFS) Program:	A program enacted by Section 554 of the National Affordable Housing Act that directs Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to use Section 8 assistance under the rental certificate and rental voucher programs, together with public and private resources to provide supportive services, to enable participating families to achieve economic independence and self-sufficiency.
Federal Preference:	The preference given to otherwise eligible applicants under HUD's rental Admission assistance programs who for, at the time they seek housing assistance are involuntarily displaced, living in substandard housing, or paying more than 50 percent of family income for rent. (24 CFR 882.219).
First Time Homebuyer:	An individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase

of a home that must be used as the principal residence of the homebuyer.

FDA:	The Farmers Home Administration, or programs it administers.
For Rent:	Year round housing units that are vacant and offered/available for rent (U.S. Census definition.)
For Sale:	Year-round housing units that are vacant and offered/available for sale only. (U.S. Census definition.)
Frail Elderly:	An elderly person who is unable to perform at least three activities of daily living (i.e. eating, dressing, bathing, grooming, and household management activities.)
Group Quarters:	Facilities providing living quarters that are not classified as housing units. (U.S. Census definition). Examples include: prisons, nursing homes, dormitories, military barracks, and shelters.
HOME:	The HOME Investment Partnerships Act, which is Title II of the National Affordable Housing Act.
Homeless Family:	Family that includes at least one parent or guardian and one child under the age of 18, a homeless pregnant woman, or a homeless person in the process of securing legal custody of a person under the age of 18.
Homeless Individual:	An unaccompanied youth (17 years or younger) or an adult (18 years or older) without children.
Homeless Youth:	Unaccompanied person 17 years of age or younger who is living in situations described by terms "sheltered" or "unsheltered".
HOPE 1:	The HOPE for Public and Indian Housing Homeownership Program, which is Title IV, Subtitle A of the National Affordable Housing Act.
HOPE 2:	The HOPE for Homeownership of Multifamily Units Program, which is Title IV, Subtitle B of the National Affordable Housing Act.

HOPE 3:	The HOPE for Homeownership of Single Family Homes Program, which is Title IV, Subtitle C of the National Affordable Housing Act.
Household:	One or more persons occupying a housing unit. (U.S. Census Bureau definition).
Housing Problems:	Household with housing problems include those that: (1) occupy units meeting the definition of physical defects; (2) meet the definition of overcrowded; and (3) meet the definition of cost burden greater than 30%.
Housing Unit:	An occupied or vacant house, apartment, or a single room (SRO housing) that is intended as separate living quarters. (U.S. Census definition).
Institutions/Institutional:	Group quarters for persons under care or custody. (U.S. Census definition).
Large related:	A household of five or more persons that includes at least 2 related persons.
LIHTC:	(Federal) Low Income Housing Tax Credit.
Low Income families:	Families whose incomes do not exceed fifty percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. HUD income limits are updated annually and are available from local HUD offices for the appropriate jurisdictions.
Middle-Income Families:	Families whose income is between 80 percent and 95 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. HUD income limits are updated annually and are available from local HUD offices for the appropriate jurisdictions.

Moderate Income Families:	Families whose incomes do exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 95% of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (This definition is different than that for the CDBG Program.)
Moderate Rehabilitation:	Rehabilitation of residential property at an average cost for the project not in excess of \$25,000 per dwelling unit.
Needing Rehab:	Dwelling units that do not meet standard conditions but are both financially and structurally feasible for rehabilitation. This does not include units that require only cosmetic work, correction of minor livability problems or maintenance work.
Non-Elderly Household:	A household that does not meet the definition of "Elderly Household," as defined above.
Non-Homeless Persons with Special Needs:	Includes frail elderly persons, persons with AIDS, disabled families participating in organized programs to achieve economic self-sufficiency.
Non-Institutional:	Group quarters for persons not under the care or custody (U.S. Census definition used.)
Metropolitan Area:	Areas consisting of one or more counties including a large population nucleus and nearby communities that have a high degree of interaction. Primary metropolitan statistical areas (PMSAs) are MSAs that make up consolidated metropolitan statistical areas (CMSAs). (U.S. Census definition).
Not Rehabable:	Dwelling units that are determined to be in such poor condition as to be neither structurally nor financially feasible for rehabilitation.
Occupied Housing Unit:	A housing unit that is the usual place of residence of the occupant(s).
Other Household:	A household of one or more persons that does not meet the definition of a Small Related household or a Large Related

household, or is an elderly household comprised of three of more persons.

Other Vacant:	Vacant year round housing units that are not For Rent or For Sale. This category would include Awaiting Occupancy or Held. (U.S. Census definition).
Overcrowded:	A housing unit containing more than one person per room. (U.S. Census definition used in Table 1A).
Owner:	A household that owns the housing unit it occupies. (U.S. Census definition).
Physical Defects:	A housing unit lacking complete kitchen, bathroom, or electricity (U.S. Census definition.)
Primary Housing Activity:	A means of providing or producing affordable housing -- such as rental assistance, production, rehabilitation or acquisition -- that will be allocated significant resources and/or pursued intensively for addressing a particular housing need. (See also "Secondary Housing Activity".)
Project-Based Rental Assistance:	Rental Assistance provided for a project, not for a specific tenant. Tenants receiving project-based rental assistance give up the right to that assistance upon moving from the project.
Public Housing CIAP:	Public Housing Comprehensive Improvement Assistance Program.
Public Housing MROP:	Public Housing Major Reconstruction of Obsolete Projects.
Rent Burden > 30%:	The extent to which gross housing costs, including utility costs, exceed (Cost Burden) 30% of gross income, based on data published by the U.S. Census Bureau.
Rent Burden > 50%:	The extent to which gross housing costs, including utility costs, exceed (Severe) Cost Burden: 50% of gross income, based on data published by the U.S. Census Bureau.
Rental Assistance:	Rental assistance payments provided as either project-based rental assistance or tenant-based rental assistance.

Renter:	A household that rents the housing unit it occupies, including both units rented for cash and units occupied without cash payment of rent. (U.S. Census definition).
Renter Occupied Unit:	Any occupied housing unit that is not owner occupied, including units rented for cash and those occupied without payment of cash rent.
Secondary Housing:	A means of providing or producing affordable housing -- such as rental assistance, production,
Activity:	Rehabilitation or acquisition -- that will receive fewer resources and less emphasis than primary housing activities for addressing a particular housing need. (See also, "Primary Housing Activity".)
Section 215:	Section 215 of Title II of the National Affordable Housing Act. Section 215 defines "affordable" housing projects under the Title II HOME Program.
Service Needs:	The particular services identified for special needs populations, which typically may include transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services to prevent premature institutionalization and assist individuals to continue living independently.
Severe Cost Burden:	See Cost Burden > 50%.
Severe Mental Illness:	A serious and persistent mental or emotional impairment that significantly limits a person's ability to live independently.
Sheltered:	Families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter, including emergency shelters, transitional housing for the homeless, domestic violence shelters, residential shelters for runaway and homeless youth, and any hotel/motel/apartment voucher arrangement paid because the person is homeless. This term does not include persons living doubled up or in overcrowded or substandard conventional housing. Any facility offering permanent housing is not a shelter, nor is its residents homeless.
Small Related:	A household of two or four persons which includes at least two related persons.

Standard Condition:	By state definition, dwelling units which pass the HUD Section 8 Housing Quality Standards; which contain sufficient bedrooms to accommodate the size of the immediate family of the homeowner; and do not contain defects that could threaten the health or safety of the occupants.
Substandard Condition:	By local definition, dwelling units that are in such poor condition as to be neither structurally nor not Suitable for Rehab financially feasible for rehabilitation. By local definition, dwelling units that do not meet standard conditions but are both financially and Suitable for Rehab: structurally feasible for rehabilitation. This does not include units that require only cosmetic work, correction or minor livability problems or maintenance work.
Substantial Rehabilitation:	Rehabilitation of residential property at an average cost for the project in excess of \$25,000 per dwelling unit.
Supportive Housing:	Housing, including Housing Units and Group Quarters that has a supportive environment and includes a planned service component.
Supportive Service Need In FSS Plan:	The plan the PHAs administering a Family Self-Sufficiency program are required to develop to identify the services they will provide to participating families and the source of funding for those services. The supportive services may include child care; transportation; remedial education; education for completion of secondary or post secondary schooling; job training, preparation and counseling; substance abuse treatment and counseling; training in homemaking and parenting skills; money management, and household management; counseling in homeownership; job development and placement; follow-up assistance after job placement; and other appropriate services.
Supportive Services:	Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, childcare, transportation, and job training.
Tenant-based (Rental) Assistance:	A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Total Vacant:	Unoccupied year round housing units. (U.S.Census definition).
Unsheltered:	Families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings).
Vacant Awaiting Occupancy or Held:	Vacant year round housing units that have been rented or sold and are currently awaiting occupancy, and vacant year round housing units that are held by owners or renters for occasional use. (U.S. Census definition).
Vacant Housing Unit:	Unoccupied year-round housing units that are available or intended for occupancy at any time during the year.
Worst-Case Needs:	Unassisted, very low-income renter households who pay more than half of their income for rent, live in seriously substandard housing (which includes homeless people) or have been involuntarily displaced.
Year Round Housing Units:	Occupied and vacant housing units intended for year round use. (U.S. Census definition). Housing units for seasonal or migratory use are excluded.

APPENDIX G– CITIZEN PARTICIPATION PLAN

COLORADO'S 2004 CITIZEN PARTICIPATION PLAN

HUD FORMULA PROGRAMS

Pursuant to the Department of Housing and Urban Development's (HUD) proposed rule published in the Federal Register, August 5, 1994 requiring a consolidated planning process for four of its formula programs, Community Development Block Grant State Program (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA), this Proposed Citizen Participation Plan is developed to ensure that the citizens of the State of Colorado, particularly persons of low and moderate income residing in areas where it is proposed which such funds are to be used, are provided the opportunity and encouraged to participate in the planning and implementation of funded activities.

The state expects to fund activities that address the needs of the above persons in the categories of housing, public facility, infrastructure improvements, public service, accessibility, and economic development. The state also will develop plans, as necessary, to minimize displacement of persons and to assist any persons displaced.

The primary goal of the state's CDBG program is the development of viable urban communities by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than 70% of federal fiscal years' 2003 and 2004 funds will be used for project activities that benefit persons of low and moderate income.

The objectives of the state's HOME program are the following:

- C To expand the supply of decent, safe, sanitary, and affordable housing;
- C To mobilize and strengthen the abilities of the state, units of local government, and nonprofit organizations, to design and implement strategies for achieving an adequate supply of decent, safe, sanitary and affordable housing;
- C To provide eligible applicants, on a coordinated basis, with the various forms of federal housing assistance, including capital investments, mortgage insurance, rental assistance, and other federal assistance, needed:
 - < To expand the supply of decent, safe, sanitary, and affordable housing;
 - < To make new construction, rehabilitation, substantial rehabilitation, and acquisition of such housing feasible;
 - < To promote the development of partnerships among the federal government, states and units of general local government, private industry, and nonprofit organizations able to utilize effectively all available resources to provide more of such housing;

- < To make housing more affordable for very low income and low income families through the use of tenant-based rental assistance;
- < To expand the capacity of nonprofit community housing development organizations to develop and manage decent, safe, sanitary, and affordable housing;
- < To ensure that federal investment produces housing stock that is available and affordable to low income families for the property's remaining useful life, is appropriate to the neighborhood surroundings and, wherever appropriate, is mixed income housing;
- < To increase the investment of private capital and the use of private sector resources in the provision of decent, safe, sanitary and affordable housing;
- < To leverage HOME funds insofar as practicable with state and local matching contributions and private investment;
- < To provide credit enhancement for affordable housing by utilizing the capacities of existing agencies and mortgage finance institutions when most efficient and supplementing their activities when appropriate; and,
- < To assist the very low income and low income families to obtain the skills and knowledge necessary to become responsible homeowners and tenants.

The goals of the state's Emergency Shelter Grant (ESG) program are to assist homeless persons by providing better facilities and supportive services at emergency shelters and to assist potentially homeless persons by providing expanded prevention programs. The objectives of the state's ESG program are the following:

- C To assist in supporting the operating costs of emergency shelters;
- C To assist in the prevention of homelessness;
- C To assist in improving the quality, conditions and supportive services available through existing emergency shelters;

The state does not receive an allocation of HOPWA funds.

The state is expecting to receive \$12,782,000 in CDBG funds, \$9,004,000 in HOME funds, \$960,000 in ESG funds and 368,000 in HOPWA formula grant funds.

CONSULTATION

Prior to the preparation of a "draft" consolidated plan, the state, through the Department of Local Affairs (DOLA) will consult with various public and private agencies that provide housing, health, social, public infrastructure improvements, economic development, and other identified services to persons of low and moderate income, agencies that provide services to persons with AIDS, and with agencies that provide services to homeless persons. DOLA will also notify units of general local governments of the planning process to solicit their input into the process.

PUBLIC HEARINGS

Two public hearings will be conducted per year to obtain citizens' views. The hearings will be conducted, at a minimum, at two different stages of the program. At least one hearing will be held during the development of the plan but before the proposed consolidated plan is published. The hearings will address the housing and community development needs of the state, development of proposed activities, and a review of program performance during the year.

For the initial hearing, a public notice will be published in a newspaper of general circulation throughout the state at least ten (10) days prior to such public hearing. A copy of the public notice will also be sent to the various organizations from which the state sought consultation. A listing of all organizations consulted will be included in the draft plan. The hearings will be held at times and locations convenient to potential and actual beneficiaries, and the state will provide accommodation for the handicapped upon request. In the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate, arrangements will be made to have an interpreter present.

The state will accept written comments up to fifteen (15) days from the date of each hearing. These comments will be a part of the state's consolidated planning process.

PUBLIC INFORMATION AND ACCESS TO RECORDS

Information and records regarding the proposed and past use of the three funding sources will be available at the Department of Local Affairs, 1313 Sherman Street, Room 518, Denver, Colorado during regular office hours, 8am to 5pm Monday through Friday, except holidays. Copies of the proposed consolidated plan will also be available in each of the DOLA's regional fields offices.

Northeastern area office in Sterling,	(970) 522-2672
Southeastern area office in Pueblo,	(719) 544-6577
South Central office in Monte Vista,	(719) 852-9429
Southwestern office in Durango,	(970) 247-7311
Northwestern office in Grand Junction,	(970) 248-7310
Northern Mountains office in Frisco,	(970) 668-6160
North Central office in Loveland,	(970) 679-4501
Central office in Golden,	(303) 273-1787

Please call (303) 866-2771 or TDD (303) 866-5300 for the location of the DOLA field office nearest you or you may contact the field office directly. Alternate formats of the citizen participation plan and consolidated plan will be made available to persons upon request.

The DOLA will publish in a newspaper of general circulation the availability of the draft consolidated plan or annual action plan (whichever is applicable) and the dates of the thirty (30) day public comment period. A copy of the summary of the consolidated plan will be sent to organizations with which the DOLA sought consultation. A listing of these agencies will be contained in the public notice. A copy of the entire plan will be available at each of the DOLA's regional field offices listed above and the DOLA's Denver main office.

Citizen's who wish to participate in the planning process are encouraged to contact either an organization that represents their interests or the DOLA field office serving their region.

TECHNICAL ASSISTANCE

The DOLA will provide technical assistance to groups representative of persons of very low and low moderate income that are residents of the State of Colorado that request assistance in developing proposals for funding under any of the programs covered by this plan. The level and type of assistance will be determined by the DOLA and will be based on its ability to provide or arrange for such assistance, the cost of providing such assistance and other relevant factors.

AMENDMENTS

The DOLA will amend its consolidated plan when there is a new proposed activity that was not included in the adopted plan, or there is a change in the method of distribution.

WRITTEN COMMENTS AND COMPLAINTS

The state will respond to comments, complaints and grievances in a timely manner. When practicable, such responses shall be made within fifteen (15) working days and included in the consolidated plan. Please address your comments, complaints, or grievances to:

Consolidated Plan Staff
DOLA, Room 518
1313 Sherman Street
Denver, CO 80203